State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 30, 2010

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (Polk, Casey) RLT
Office of the General Counsel (Teitzman) AT

RE: Docket No. 100150-TL – 2011 State Annual certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314, High Cost Universal Service.

AGENDA: 07/13/10 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RAD\WP\100150.RCM.07-13-10.DOC

Case Background

Section 254(e) of the Telecommunications Act of 1996 provides that a carrier that receives universal service support "...shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." In its Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 00-256 (the Rural Task Force Order; hereafter, the RTF Order), the Federal Communications Commission (FCC) modified its rules pertaining to the provision of high-cost support for rural telephone companies. The FCC adopted a rule requiring that states who wish for rural carriers within their jurisdiction to receive federal high-cost support must file a certification annually with the FCC and with the Universal Service Administrative Company (USAC). This certification is to affirm that the federal high-cost funds flowing to rural carriers in the state, or to any competitive eligible telecommunications carriers seeking support for

serving customers within a rural carrier's service area, will be used in a manner that comports with Section 254(e). 47 C.F.R. §54.314 provides the following:

> State certification of support for rural carriers.
>
> (a) *State certification.* States that desire rural incumbent local exchange carriers and/or eligible telecommunications carriers serving lines in the service area of a rural incumbent local exchange carrier within their jurisdiction to receive support pursuant to §§54.30 (local switching support), 54.305 (sale or transfer of exchanges), and/or 54.307 (support to competitive ETC) of this part and/or part 36, subpart F of this chapter must file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended...
>
> (c) *Certification format.* A certification pursuant to this section may be filed in the form of a letter from the appropriate regulatory authority for the State, and shall be filed with both the Office of the Secretary of the Commission clearly referencing CC Docket No. 96-45, and with the Administrator of the high-cost universal service support mechanism, on or before the deadlines set forth below in subsection (d). . . .

The FCC requires that certifications for the next calendar funding year must be submitted by the preceding October 1; thus, in order for a rural carrier to be eligible for high-cost universal service support for all of calendar year 2011, certification must be submitted by October 1, 2010.

On March 17, 2005, the FCC released Order No. FCC 05-46 establishing new annual certification and reporting requirements to comply with the conditions of Eligible Telecommunication Carrier (ETC) designation and to ensure universal service funds are used for their intended purposes. In making its decision, the FCC believed that the new reporting requirements were reasonable and consistent with the public interest and the Act, and will further the FCC's goal of ensuring that ETCs satisfy their obligation under Section 214(e) of the Act to provide supported services throughout their designated service areas. The FCC also believed that the administrative burden placed on carriers would be outweighed by strengthening the requirements and certification guidelines to help ensure that high-cost support is used in the manner that it was intended, and would help prevent carriers from seeking ETC status for purposes unrelated to providing rural and high-cost consumers with the access to affordable telecommunications and information services.

By Order No. PSC-05-0824-FOF-TL, issued August 15, 2005, and Order No. PSC-05-0824A-FOF-TL, issued August 17, 2005, the Commission approved the establishment of the annual certification and reporting requirements. Each of the rural carriers which are seeking state certification for 2011 have complied with the Commission's new reporting requirements. This recommendation pertains to the Commission's certification of Florida's rural LECs for 2011.

Discussion of Issues

Issue 1: Should the Florida Public Service Commission (FPSC or Commission) certify to the FCC and to the USAC that for the year 2011 Windstream Florida, Inc., Frontier Communications of the South, LLC, GTC, Inc. d/b/a FairPoint Communications, ITS Telecommunications Systems, Inc., Northeast Florida Telephone Company d/b/a NEFCOM, Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone, and Smart City Telecommunications, LLC d/b/a Smart City Telecom will only use the federal high-cost support they receive for the provision, maintenance and upgrading of facilities and services for which the support is intended?

Recommendation: Yes. (Polk, Casey)

Staff Analysis: Unless the Commission submits certifications to the FCC and to the USAC by October 1, 2010, Florida's rural carriers will receive no interstate high-cost universal service funds during the first quarter of 2011, and would forego all federal support for that quarter. Certifications filed after October 1, 2010, would cause rural carriers to be eligible for high-cost funds for only partial quarters of 2011. For example, certifications filed by January 1, 2011, would allow rural carriers to be eligible for high-cost funds in the second, third, and fourth quarters of 2011. Certifications filed by April 1, 2011, would only allow rural carriers to be eligible for high-cost funds in the third and fourth quarters of 2011. All of these rural ETCs are now under intrastate price-cap regulation. However, the FCC anticipated that certain state commissions may have limited economic regulatory authority:

> In the case of non-rural carriers, we concluded that states nonetheless may certify to the FCC that a non-rural carrier in the state had accounted to the state commission for its receipt of federal support, and that such support will be 'used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.' We determined that, in states in which the state commission has limited jurisdiction over such carriers, the state need not initiate the certification process itself. . . .We conclude that this approach is equally appropriate here with regard to rural carriers and competitive eligible telecommunications carriers serving lines in the service area of a rural local exchange carrier. (RTF Order, ¶188)

Staff notes that on February 27, 2004, the Federal-State Joint Board on Universal Service (Joint Board) recommended that the FCC encourage states to use the annual ETC certification process to ensure that federal universal service support is used to provide the supported services and for associated infrastructure costs.[1] Annual review affords states the opportunity for a periodic review of ETC fund use.[2] The Joint Board asserted that states should examine

[1] *See Federal-State Joint Board on Universal Service*, Recommended Decision, CC Docket No. 96-45, FCC 04J-1, pars. 46-48 (2004).

[2] *See Federal-State Joint Board on Universal Service*, Ninth Report and Order and Eighteenth Order on Reconsideration, CC Docket No. 96-45, FCC 99-306, par. 95 (1999) (*Ninth Report and Order*) (stating that accountability for the use of federal funds in the state ratemaking process is an appropriate mechanism to ensure that non-rural carriers use high-cost support for the provision, maintenance and upgrading of facilities and services for which the support is intended); *see also Rural Task Force Order*, CC Docket 96-45, FCC 01-157, par. 187 (2001)

compliance with any build-out plans. Where an ETC fails to comply with the requirements in Section 214(e) and any additional requirements proposed by the state commission, the Joint Board noted that the state commission may decline to grant an annual certification or may rescind a certification granted previously.[3] To date, there have been no indications that the rural ETCs are in violation of any of the provisions of Section 214(e).

The FCC has noted that it may institute an inquiry on its own motion for companies for which it, rather than state commissions, has granted ETC status.[4] Such an inquiry could include an examination of the ETC's records and documentation to ensure that the high-cost support it receives is being used "only for the provision, maintenance, and upgrading of facilities and services." The FCC stated that failure to fulfill the requirements of the statute, its rules, and the terms of its designation order could result in the loss of the carrier's ETC designation.

As has been done in prior years, each of the seven Florida rural ETCs has provided the Commission with an affidavit (see Attachments A through G) in which they have certified that their use of interstate high-cost universal service support received during 2011 will comport with Section 254(e) of the Act and applicable FCC rules. Given these ETCs' certifications, staff again recommends that the Commission certify to the FCC and to the USAC that for the year 2011 Windstream Florida, Inc., Frontier Communications of the South, LLC, GTC, Inc. d/b/a FairPoint Communications, ITS Telecommunications Systems, Inc., Northeast Florida Telephone Company d/b/a NEFCOM, Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone, and Smart City Telecommunications, LLC, d/b/a Smart City Telecom will only use the federal high-cost support they receive for the provision, maintenance and upgrading of facilities and services for which the support is intended.

(anticipating that states would take the appropriate steps to account for the receipt of high-cost support and ensure that federal support is being applied in a manner consistent with Section 254).

[3] *Federal-State Joint Board on Universal Service;* Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission, Declaratory Ruling, CC Docket No. 96-45, (2000), recon. pending (Section 214(e) Declaratory Ruling), par. 15.

[4] *See Federal-State Joint Board on Universal Service*, Memorandum Opinion and Order, CC Docket No. 96-45, FCC 04-37, par. 43, (2004).

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed and subsequent annual certifications of rural telephone companies should be addressed in a new docket. **(Teitzman)**

Staff Analysis: Under 47 C.F.R. §54.314, state commission certification that its rural LECs will use interstate high-cost universal service support in a manner that comports with Section 254(e) will need to be addressed once a year. We anticipate that in subsequent years, Florida's rural LECs that continue to desire to receive interstate high-cost universal service support will again submit affidavits to this Commission; such affidavits would need to be received on a schedule that allows for an order to be issued and forwarded with a letter to the FCC and the USAC prior to October 1. Accordingly, staff believes it is appropriate for a new docket to be opened to handle future annual certifications.

RECEIVED-FPSC

10 APR 29 PM 1:08

COMMISSION
CLERK

Windstream Communications, Inc.
4001 Rodney Parham Road
1170 - B1F03-53A
Little Rock, AR 72212

(p) 501.748.5692
(f) 501.748.7996
(m) 501.690.5451

Bettye J. Willis
Vice President – State Government Affairs

Windstream

April 28, 2010

Ms. Ann Cole, Director
Division of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 323399-0870

Re: Docket No. 010977-TL/Docket No. 090168-TL

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and three (3) copies of the signed Affidavit of Michael D. Rhoda on behalf of Windstream Florida, Inc.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

Bettye Willis jj

Bettye Willis

Enclosure

cc: James White (Windstream)

COM ____
APA ____
ECR ____
GCL 1
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DOCUMENT NUMBER-DATE
03491 APR 29 ≥
FPSC-COMMISSION CLERK

AFFIDAVIT

BEFORE ME, the undersigned authority appeared Michael D. Rhoda who deposed and said:

1. My name is Michael D. Rhoda. I am Windstream Florida, Inc.'s, ("Windstream" or the "Company") Senior Vice President, Governmental Affairs. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314.

2. Windstream hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

3. Windstream hereby certifies that it has submitted information required for its universal service filing and refers to these filings in lieu of providing formal network plans. USF disbursements received by the Company and other rural incumbent local exchange companies are divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"); High Cost Loop Support ("HCLS"); and Safety Net Additive Support ("SNAS"). The FCC in conjunction with the Federal-State Joint Board on Universal Service has created each of these mechanisms, except ICLS. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

ICLS is a universal service mechanism which allows these companies to recover from the fund the difference between their interstate common line costs and the subscriber line charge ("SLC") revenues collected from their customers. ICLS provides support to ILECs for investments and expenses already incurred.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC prescribed rate of return. Therefore, LSS provides support to rural ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs' interstate switching revenue requirement. Therefore, the difference between the interstate switching revenue requirement again as set forth in the company's annual interstate cost study, and LSS is used to calculate the local switching rate charged to interexchange carriers.

Rural ILECs are eligible for HCLS based upon their embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS provides support to rural ILECs for investments and expenses already incurred.

Pursuant to FCC Orders, SNAS is support above the HCL cap for carriers that make significant investments in rural infrastructure. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is providing support to rural ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through USAC, a private, not-for-profit corporation. USAC assists NECA in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process necessary for the remittance of universal service funds.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding received by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

Windstream is eligible for and receives ICLS.

4. Windstream hereby certifies that it follows appropriate procedures for network outage reporting in accordance with the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and March 1, 2010, Windstream had __0__ FCC reportable outages. Windstream had ___2____PSC reportable outages.

5. Windstream hereby certifies that it did fulfill all requests for service from potential customers.

6. Windstream hereby certifies that for the period from March 1, 2009 through March 1, 2010 __1____ FCC complaint and ____35__state PSC complaints were received.

7. Windstream hereby certifies that it is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Michael D. Rhoda
Senior Vice President, Governmental Affairs

STATE OF ARKANSAS
COUNTY OF PULASKI

Acknowledged before me this 28th day of April 2010, by Michael D. Rhoda, as Senior Vice President, Governmental Affairs of Windstream Florida, Inc. who is personally known to me or produced identification and who did take an oath.

Sandra Jean Griffis
– Notary Public

SANDRA JEAN GRIFFIS NOTARY PUBLIC SALINE COUNTY, ARK. My Comm. Expires SEPT. 1, 2011

Personally Known ✓
Produced Identification _____
Type of Identification Produced _____

frontier

Government & External Affairs
180 S. Clinton Ave.
5th Floor
Rochester, NY 14646

June 23, 2010

Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Frontier Communications of the South, LLC
Study Area Code: 210318
47 CFR § 54.314
Order No. PSC-05-0824-FOF-TL
Docket No. 010977-TL

Dear Ms. Cole:

This filing includes revision to the original letter filed on April 21, 2010 requesting that the Florida Public Service Commission notify the Federal Universal Fund Administrator and the Federal Communications Commission that Frontier Communications of the South, LLC ("Frontier") is eligible to receive federal high-cost support in accordance with the above-referenced statute, federal rule and docket. An adjustment was made to item no. 4 of the Affidavit.

Frontier respectfully requests that the Commission notify the FCC prior to October 1 of this year that Frontier is eligible to receive federal high-cost support for 2011.

Sincerely,

Deborah Fasciano

Deborah Fasciano
Sr. Analyst – Regulatory Compliance

Enclosure

AFFIDAVIT

STATE OF NEW YORK
COUNTY OF MONROE

BEFORE ME, the undersigned authority, appeared Gregg C. Sayre, who deposed and said:

My name is Gregg Sayre. I am Assistant Secretary of Frontier Communications of the South, LLC ("Frontier" or the "Company"). As an officer of the Company, I am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314. Please refer to Docket No. 010977-TL.

Frontier hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

1. Frontier Communications of The South currently holds ETC status and is an ILEC offering a ubiquitous network throughout the service area. The FCC has clarified that, for the ETCs that it designates, the "service quality improvements in the five-year plan do not necessarily require additional construction of network facilities." *FCC 05-46*, ¶ 23. In such situations, the FCC has stated that the ETC Applicant may provide "an explanation of why service improvements in a particular wire center are not needed and how funding will otherwise be used to further the provision of supported services in that area." *FCC 05-46*, ¶ 23.

   Because Frontier Communications of The South has coverage throughout the service area, the company will continue to use USF support to maintain its existing network, rather than to construct additional facilities to expand the coverage area. The company will replace and upgrade facilities and equipment on an "as needed" basis and for this reason, providing projected start and completion dates for projects, and specific geographic locations of such projects, is very difficult.

   Frontier has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of our universal service filing and refer to this in lieu of formal network plans.

2. Frontier experienced two outages that lasted more than 30 minutes and affected more than ten percent of the end users in its service area.

    a. Date and Time of Outage – August 12, 2009 at 15:15 CT to 17:11 CT (1:20 hours)
    b. Cause – The online Line Switch Controllers (LSC) database became corrupt due to storms in the area.
    c. Services Affected – Dial Tone
    d. Site – Molino-RNS 1
    e. Steps Taken – The online LSC was reloaded to clear the database corruption.
    f. Customers affected – 447

    a. Date and Time of Outage – November 12, 2009 at 3:36 CT to 5:08 CT (1:32 hrs)
    b. Cause – Both Communication Buffer Controller's (CBC) failed.
    c. Services Affected – Dial Tone
    d. Site – Molino RNS & Remotes
    e. Steps Taken – The Maintenance Processor (MP) was manually rebooted causing a reload of the CBC's.
    f. Customers affected – 1,984

3. Frontier did not have any requests for service that were unfulfilled in 2009.

4. Frontier certifies that for the period from March 1, 2009 through March 1, 2010 Frontier did not receive any complaints. The rate of troubles per 1,000 access lines was 0.00.

5. Frontier certifies that the company is complying with applicable service quality standards and consumer protection rules, in accordance with Florida Statutes and the Florida Administrative Code.

6. Frontier hereby certifies that it is able to function in emergency situations.

7. Frontier is the incumbent LEC in the relevant exchange area and offers a tariffed local flat rate plan.

8. Frontier provides equal access to long distance carriers within its service area.

FURTHER AFFIANT SAYETH NOT.

Gregg C. Sayre
Assistant Secretary
Frontier Communications of the South, LLC

STATE OF NEW YORK
COUNTY OF MONROE

Acknowledged before me this 23rd day of June 2010 by Gregg C. Sayre, as Assistant Secretary for Frontier Communications of the South, LLC, who is personally known to me or produced identification and who did take an oath.

Holly M James
NOTARY PUBLIC

HOLLY M. JAMES
Notary Public, State of New York
Qualified in Monroe County
My Commission Expires Nov. 30, 2010

Printed Name of Notary

Personally Known X
Produced Identification
Type of Identification Produced

RUTLEDGE, ECENIA & PURNELL
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

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RICHARD M. ELLIS
JOHN M. LOCKWOOD
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JONATHAN M. COSTELLO
MARGARET A. MENDUNI

April 29, 2010

Ann Cole
Director, Division of Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399

RECEIVED-FPSC
10 APR 29 PM 1:16
COMMISSION
CLERK

Re: Docket No. 100150-TL

Dear Ms. Cole:

Enclosed for filing on behalf of GTC, Inc. d/b/a FairPoint Communications are the original and 15 copies of the Affidavit of Patrick L. Morse. Mr. Morse's Affidavit is filed in compliance with Order No. PSC-05-0824-FOF-TL issued August 15, 2005 as amended by Amendatory Order No. PSC-05-0824A-FOF-TL issued August 17, 2005, and by Order No. PSC -08-0551-FOF-TL issued August 20, 2008 in PSC Docket No. 010977-TL.

Please contact me should you have any questions regarding this filing.

Sincerely,

Martin P. McDonnell

MPM/vp
Enclosures
cc: R. Mark Ellmer w/enclosure
James Polk w/enclosure

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FPSC-COMMISSION CLERK

DOCKET NO. 100150-TL

AFFIDAVIT

BEFORE ME, the undersigned authority appeared Patrick L. Morse who deposed and said:

1. My name is Patrick L. Morse. I am employed by GTC, Inc. d/b/a FairPoint Communications (the "Company") as its Senior Vice President - Governmental Affairs. I am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314.

2. GTC, Inc. d/b/a FairPoint Communications hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

3. GTC, Inc. d/b/a FairPoint Communications hereby certifies that it has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of our universal service filing and refer to this in lieu of formal network plans. USF disbursement received by the Company and other rural incumbent local exchange companies is divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"), High Cost Loop Support ("HCLS") and Safety Net Additive Support ("SNAS"). Each of these mechanisms has been created by the FCC in conjunction with the Federal-State Joint Board on Universal Service. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

ICLS is a universal service mechanism which is based upon each company's embedded, interstate loop costs and allows rate-of-return companies to offset interstate common line access charges and recover its interstate common line revenue requirement and still allow SLCs to remain affordable to customers. ICLS is reimbursing ILECs for investments and expenses already incurred. The ICLS calculation uses the interstate cost structure of a rural incumbent local exchange carrier ("ILEC") based upon annual interstate cost studies that are submitted and certified by the companies and received by NECA. The difference between the interstate common line revenue requirement, again as set forth in the company's annual interstate cost study and the SLC revenue collected from end users, makes up the ICLS.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

The HCLS for rural ILECs is based upon each company's embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS is reimbursing ILECs for investments and expenses already incurred.

Pursuant to the FCC Order, SNAS is support above the HCL cap for carriers that make significant investment in rural infrastructure in years in which HCL is capped. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is reimbursing ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through the USAC. USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding submitted by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

4. GTC, Inc. d/b/a FairPoint Communications hereby certifies that it follows appropriate procedures for network outage reporting as per the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and February 28, 2010, GTC, Inc. d/b/a FairPoint Communications did not have any Federal FCC reportable outages nor de the company have any State PSC reportable outages.

5. GTC, Inc. d/b/a FairPoint Communications hereby certifies that it did fulfill all requests for service from potential customers.

6. GTC, Inc. d/b/a FairPoint Communications hereby certifies that for the period from March 1, 2009 and February 28, 2010 three FCC complaints were received, processed and resolved per FCC rules. During the same period six state PSC complaints were received, processed and resolved per PSC rules.

7. GTC, Inc. d/b/a FairPoint Communications hereby certifies that for the period ending February 28, 2010 the company had one requests for service that was unfulfilled due to company construction requirements.

8. GTC, Inc. d/b/a FairPoint Communications hereby certifies that the company is complying with all applicable service qualify standards and consumer protection rules in accordance with Florida Statutes and Florida Administrative Code.

9. GTC, Inc. d/b/a FairPoint Communications hereby certifies that it is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Patrick K. Morse
Senior Vice President - Governmental Affairs

STATE OF KANSAS
COUNTY OF Ford

Acknowledged before me this April 27, 2010, by Patrick K. Morse, as Senior Vice President – Governmental Affairs, GTC, Inc. d/b/a FairPoint Communications, who is personally known to me or produced identification and who did take an oath.

Personally Known X
Produced Identification _____
Type of Identification Produced _____

ITS TELECOMMUNICATIONS SYSTEMS, INC.
15925 SW Warfield Blvd. • P. O. Box 2770
Indiantown, Florida 34956
772-597-2111

May 3, 2010

Mrs. Ann Cole, Director
Division of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: FPSC Docket No. 100150-TL
State Certification of Rural Telecommunication Carriers pursuant to 47 C.F.R. §54.314

Dear Mrs. Cole:

Enclosed for filing in the above referenced docket is the original and three (3) copies of the signed Affidavit of Michael Abramson on behalf of ITS Telecommunications certifying that all federal high cost support received by ITS Telecommunications in 2011 will only be used for the provisioning, maintenance, and upgrading of facilities and services for which such support in intended.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to me.

Thank you for your assistance in this matter and should you have any questions, please contact me at (772) 597-3161

Sincerely,

Donna J. Mafreel
Regulatory Manager

cc: Jeffrey S, Leslie, President
Michael Abramson, Vice President

COM ___
APA ___
ECR ___
GCL 1
RAD 2
SSC ___
ADM ___
OPC ___
CLK ___

FPSC DOCKET NO. 100150-TL
State Certification of Rural Telecommunication Carriers Pursuant to 47 C.F.R. §54.314

AFFIDAVIT

STATE OF FLORIDA
COUNTY OF MARTIN

BEFORE ME, the undersigned authority, personally appeared **Michael Abramson**, known to me to be a credible person and of lawful age, who deposed and said:

My name is Michael Abramson. I am employed by **ITS Telecommunications Systems, Inc.** (ITS or the "Company") as Vice President. I possess substantial knowledge of the Company's operations and am an officer authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the certification of the Florida Public Service Commission ("Commission") as contemplated in 47 C.F.R. §54.314.

ITS hereby certifies that it will utilize all federal high-cost support it receives during 2011 only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with 47 U.S.C. § 254(e) of the Telecommunications Act of 1996.

1. In lieu of providing progress reports on a five-year service quality improvement plan, ITS submits that certain requirements, procedures and processes to which the Company adheres, and which are further explained in the following paragraphs, constitute the Company's progress report with respect to the receipt and utilization of federal universal service support. Under the existing rules and processes discussed the federal support funds received by the Company and other rural incumbent local exchange carriers ("ILECs") are, in fact, an integral part of the rural ILEC's recovery of expenditures incurred in the provision, maintenance and upgrading of its provision of universal service. Essentially, the Company receives federal universal service support ("USF") through various programs which are administered through the Universal Service Administrative Company ("USAC"). USAC has contracted with the National Exchange Carrier Association, Inc. ("NECA") to assist in data collection necessary for the remittance of USF. The company submits, not less frequently than annually, detailed information requested by NECA in the USF data collection process. USF data used in the USF calculations by NECA must also be filed with the FCC by November 1st of each year.

   Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECAs process. In other words, the ILEC cost studies and responses to data collection requests are subject

to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding submitted by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information. This process ensures that the Company will not be deprived of the USF funding upon which the Company depends to provide rural telephone customers with affordable and quality telecommunications services.

The federal USF received by the Company and other rural ILECS is divided into four categories: High Cost Loop Support ("HCLS"); Local Switching Support ("LSS"); Interstate Common Line Support ("ICLS"); and Safety Net Additive Support ("SNAS"). Each of these mechanisms has been created by the FCC in conjunction with the Federal-State Joint Board on Universal Service. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

HCLS for rural ILECs is based upon each company's embedded, unseparated loop cost. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS is reimbursing ILECs for investments and expenses already incurred.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

ICLS is a universal service mechanism which is based upon each company's embedded, interstate loop cost and allows rate-of-return companies to offset interstate common line access charges and recover its interstate common line

revenue requirement and still allow SLCs to remain affordable to customers. ICLS is reimbursing ILECs for investments and expenses already incurred. The

ICLS calculation uses the interstate cost structure of a rural incumbent local exchange carrier ("ILEC") based upon annual interstate cost studies that are submitted and certified by the companies and received by NECA. The difference between the interstate common line revenue requirement, again as set forth in the company's annual interstate cost study and the SLC revenue collected from end users, makes up the ICLS.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

SNAS is support above the HCLS cap for carriers that make significant investment in rural infrastructure in years in which HCLS is capped. To receive this support, a rural ILEC must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Carriers seeking to qualify for SNAS must provide written notice to USAC that a study area meets the 14 percent TRIS trigger.

2. ITS hereby certifies that it follows appropriate procedures for network outage reporting as per the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and March 1, 2010, ITS did not have any Federal FCC reportable outages.

   ITS had one State PSC reportable outage that occurred on March 2, 2009. This resulted in all of our customers being without service for a period of one hour and 15 minutes.

3. ITS hereby certifies that it did fulfill all requests for service from potential customers.

4. ITS hereby certifies that it received zero FCC complaints during the period March 1, 2009 through March 1, 2010. ITS received one (1) complaint filed with the FPSC during the period March 1, 2009 to March 1, 2010.

5. ITS hereby certifies that it complies with the applicable state PSC quality of service standards and state consumer protection rules in accordance with Florida Statutes and the Florida Administrative Code.

6. ITS hereby certifies that it is able to function in emergency situations.

7. ITS hereby certifies that it offers a tariffed local usage plan.

8. ITS hereby certifies that it provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Michael Abramson
Vice President
ITS Telecommunications Systems, Inc.

STATE OF FLORIDA
COUNTY OF MARTIN

Acknowledged before me this 3rd day of May, 2010 by Michael Abramson, as Vice President of ITS Telecommunications Systems, Inc., who is personally known to me and did not take an oath.

EVA MARTINEZ
Comm# DD0817599
Expires 9/28/2012
Florida Notary Assn., Inc

Eva Martinez
Notary Public

Personally known ✓
Produced Identification _____
Type of Identification Produced _____

TOWNES TELECOMMUNICATIONS SERVICES CORPORATION

April 15, 2010

Florida Public Service Commission
Ann Cole, Commission Clerk
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: FPSC Docket No. 100150-TL
Northeast Florida Telephone Company
State Certification of Rural Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Dear Ms. Cole:

Enclosed herewith for filing in the above referenced docket, is the signed affidavit of Northeast Florida Telephone Company, Inc. d/b/a/ NEFCOM ("NEFCOM") certifying that all federal high-cost support received by NEFCOM in 2011 will only be used for the provision, maintenance and upgrading of facilities and services for which such support is intended. In addition, NEFCOM has certified to the new ETC reporting requirements established by Order No. PSC-05-0824-FOF-TL, issued August 15, 2005 in the above referenced docket.

Please contact me at (904) 688-0029 should you have any questions regarding this filing.

Sincerely,

Deborah Nobles
Vice President of Regulatory Affairs

DN:

Enclosure

Cc: Robert J. Casey, FPSC Public Utilities Supervisor, Div of Competitive Markets & Enforcement
Mike Griffis, NEFCOM General Manager

505 Plaza Circle, Suite 200 • Orange Park, FL 32073 • (904) 688-0017 • (904) 688-0049 Fax

DOCKET NO. 100150-TL

AFFIDAVIT

STATE OF FLORIDA
COUNTY OF CLAY

BEFORE ME, the undersigned authority, appeared Deborah Nobles who deposed and said:

1. My name is Deborah Nobles. I am employed by Northeast Florida Telephone Company, Inc. d/b/a NEFCOM ("NEFCOM" or the "Company") as its Vice President of Regulatory Affairs. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314.

2. NEFCOM hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

3. NEFCOM hereby certifies that it has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of our universal service filing and refers to this in lieu of formal network plans. USF disbursement received by the Company and other rural incumbent local exchange companies is divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"); High Cost Loop Support ("HCLS"); and Safety Net Additive Support ("SNAS"). The FCC in conjunction with the Federal-State Joint Board on Universal Service has created each of these mechanisms. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

ICLS is a universal service mechanism which is based upon each companies embedded, interstate loop costs and allows rate-of-return companies to offset interstate common line access charges and recover its interstate common line revenue requirement and still allow SLCs to remain affordable to customers. ICLS is reimbursing ILECs for investments and expenses already incurred. The ICLS calculation uses the interstate cost structure of a rural incumbent local exchange carrier ("ILEC") based upon annual interstate cost studies that are submitted and certified by the companies and received by NECA. The difference between the interstate common line revenue requirement, again as set forth in the company's annual interstate cost study and the SLC revenue collected from end users, makes up the ICLS.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs' interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the

company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

The HCLS for rural ILECs is based upon each company's embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS is reimbursing ILECs for investments and expenses already incurred.

Pursuant to the FCC Order, SNAS is support above the HCL cap for carriers that make significant investment in rural infrastructure in years in which HCL is capped. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is reimbursing ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through the USAC. USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding submitted by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

4. NEFCOM hereby certifies that it follows appropriate procedures for network outage reporting as per the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and March 1, 2010, NEFCOM did not have any Federal FCC or State PSC reportable outages.

5. NEFCOM hereby certifies that it did fulfill all requests for service from potential customers.

6. NEFCOM hereby certifies that for the period from March 1, 2009 and March 1, 2010, zero FCC complaints and zero state PSC service complaints were received.

7. NEFCOM hereby certifies that it complies with the applicable state PSC quality of service standards, federal and state consumer protection rules, is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Deborah Nobles
Vice President of Regulatory Affairs

STATE OF FLORIDA
COUNTY OF CLAY

Acknowledged before me this 15th day of April 2010, by Deborah Nobles, as Vice President of Regulatory Affairs of Northeast Florida Telephone Company, Inc. d/b/a NEFCOM, who is personally known to me or produced identification and who did take an oath.

Kim Jackson – Notary Public

KIM JACKSON
Commission DD 669912
Expires August 28, 2011

Personally Known ✓
Produced Identification _____
Type of Identification Produced _____

525 Junction Rd
Madison, WI 53717
www.tdstelecom.com

May 12, 2010

VIA OVERNIGHT DELIVERY
Ann Cole – Commission Clerk
Division of Communications Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 100150-TL; Quincy Telephone Company d/b/a TDS Telecom

Dear Ms. Cole;

This letter is to request that the Florida Public Service Commission notify the Universal Service Administrative Company (USAC) and the Federal Communications Commission (FCC) that Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone ("Quincy") is eligible to receive federal high-cost support in accordance with the above-referenced statute and federal rule.

The amount of federal high-cost support that Quincy will receive in 2011 will continue to be used for the services and functionalities outlined in 47 C.F.R. §54.101(a) and as the attached affidavit shows Quincy certifies that it will only use the federal high-cost support it receives for the provision, maintenance and upgrading of facilities and service for which such support is intended.

This state certification for federal support is an annual process. In order to receive federal support beginning January 1 of each year, the Florida Public Service Commission must file its annual certification on or before October 1 of the year before.

Quincy respectfully requests that the Commission notify the FCC prior to October 1 of this year that Quincy is eligible to receive federal high-cost support for 2011. If there any questions, please contact Tom McCabe at 850-875-5207.

Regards,

Sara Cole
Manager, Federal Affairs & Compliance

Attachment

cc: Beth Salak
Tom McCabe (TDS Telecom)

COM ____
APA ____
ECR ____
GCL 1
RAD 4
SSC ____
ADM ____
OPC ____
CLK ____

DOCKET NO. 100150-TL

AFFIDAVIT

BEFORE ME, the undersigned authority appeared Kevin G. Hess who deposed and said:

My name is Kevin G. Hess. I am employed by TDS Telecommunications Corporation, the parent company of Quincy Telephone Company d/b/a TDS Telecom/Quincy ("TDS" or the "Company") as its Senior Vice President, Government & Regulatory Affairs. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314.

TDS hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

1. TDS hereby certifies that it has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of our universal service filing and refer to this in lieu of formal network plans. USF disbursement received by the Company and other rural incumbent local exchange companies is divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"); High Cost Loop Support ("HCLS"); and Safety Net Additive Support ("SNAS"). Each of these mechanisms has been created by the FCC in conjunction with the Federal-State Joint Board on Universal Service. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

ICLS is a universal service mechanism which is based upon each companies embedded, interstate loop costs and allows rate-of-return companies to offset interstate common line access charges and recover its interstate common line revenue requirement and still allow SLCs to remain affordable to customers.. ICLS is reimbursing ILECs for investments and expenses already incurred. The ICLS calculation uses the interstate cost structure of a rural incumbent local exchange carrier ("ILEC") based upon annual interstate cost studies that are submitted and certified by the companies and received by NECA. The difference between the interstate common line revenue requirement, again as set forth in the company's annual interstate cost study and the SLC revenue collected from end users, makes up the ICLS.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs' interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

The HCLS for rural ILECs is based upon each company's embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS is reimbursing ILECs for investments and expenses already incurred.

Pursuant to the FCC Order, SNAS is support above the HCL cap for carriers that make significant investment in rural infrastructure in years in which HCL is capped. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is reimbursing ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through the USAC. USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding submitted by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

2. TDS hereby certifies that it follows appropriate procedures for network outage reporting as per the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and March 1, 2010, TDS did not have any Federal FCC reportable outages or State PSC reportable outages.

3. TDS hereby certifies that it did fulfill all requests for service from potential customers.

4. TDS hereby certifies that for the period from March 1, 2009 and March 1, 2010 zero FCC complaints were received and two state PSC complaints were received.

5. TDS hereby certifies that it made all reasonable efforts to comply with applicable service quality standards and consumer protection rules, in accordance with Florida Statutes and the Florida Administrative Code.

6. TDS hereby certifies that it is able to function in emergency situations,

7. TDS already provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

Kevin G. Hess
Senior Vice President
Government & Regulatory Affairs

STATE OF WISCONSIN
COUNTY OF DANE

Acknowledged before me this 10th day of May, 2010, by Kevin G. Hess, as Senior Vice President, Government & Regulatory Affairs of TDS Telecommunications Corporation d/b/a TDS TELECOM/Quincy Telephone, who is personally known to me or produced identification and who did take an oath.

Irmgard F. Metz – Notary Public
My Commission expires: May 8, 2011

Personally Known X
Produced Identification _____
Type of Identification Produced _____

April 19, 2010

SENT VIA FEDERAL EXPRESS

Ms. Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 100150-TL
State Certification of Rural Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket, is an original and fifteen (15) copies of the signed Affidavit of James T. Schumacher on behalf of Smart City Telecommunications LLC d/b/a Smart City Telecom.

Should you have any questions, please contact me at (407) 828-6730.

Sincerely,

Lynn B. Hall

Lynn B. Hall
Director – Customer Support, Contracts and Regulatory Affairs

COM ___ Enclosures
APA ___
ECR ___ cc: Robert J. Casey, FPSC
GCL 2 Jim Polk, FPSC
RAD 13
SSC ___
ADM ___
OPC ___
CLK ___

Post Office Box 22555 Lake Buena Vista, FL 32830-2555 phone (407) 827-2000 fax (407) 828-6651

Florida Public Service Commission
Docket No. 100150-TL

AFFIDAVIT

BEFORE ME, the undersigned authority, appeared **James T. Schumacher**, who deposed and said:

1. My name is James T. Schumacher. I am employed by Smart City Telecommunications LLC d/b/a Smart City Telecom ("Smart City Telecom" or the "Company") as its Vice President – Finance and Administration. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.314.

2. Smart City Telecom hereby certifies that it will only use the federal high-cost support it receives during 2011 for the provision, maintenance and upgrading of facilities and service for which such support is intended.

3. Smart City Telecom hereby certifies that it has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of its universal service filing and refers to this in lieu of formal network plans. USF disbursement received by the Company and other rural incumbent local exchange companies is divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"); High Cost Loop Support ("HCLS"); and Safety Net Additive Support ("SNAS"). Each of these mechanisms has been created by the FCC in conjunction with the Federal-State Joint Board on Universal Service. This means that representatives from State Commissions have also been involved in the development of these mechanisms through their representation in the Joint Board process.

ICLS is a universal service mechanism which is based upon each companies embedded, interstate loop costs and allows rate-of-return companies to offset interstate common line access charges and recover its interstate common line revenue requirement and still allow SLCs to remain affordable to customers. ICLS is reimbursing incumbent local exchange carriers ("ILECs") for investments and expenses already incurred. The ICLS calculation uses the interstate cost structure of a rural ILEC based upon annual interstate cost studies that are submitted and certified by the companies and received by NECA. The difference between the interstate common line revenue requirement, again as set forth in the company's annual interstate cost study and the SLC revenue collected from end users, makes up the ICLS.

LSS rules established by the FCC use the embedded costs of the rural ILECs associated with switching investments, depreciation, maintenance, expenses, taxes and an FCC established rate of return. Therefore, LSS is reimbursing ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs' interstate switching revenue requirement. The difference between the interstate switching revenue requirement, again as set forth in the

company's annual interstate cost study and LSS, makes up the switching rate which is charged to interexchange carriers.

The HCLS for rural ILECs is based upon each company's embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS is reimbursing ILECs for investments and expenses already incurred.

Pursuant to the FCC Order, SNAS is support above the HCL cap for carriers that make significant investment in rural infrastructure in years in which HCL is capped. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is reimbursing ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through the USAC. USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs and all USF funding submitted by rural ILECs must be based upon financial statements. NECA also performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

4. SCT hereby certifies that it follows appropriate procedures for network outage reporting as per the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2009 and March 1, 2010, SCT did not have any Federal FCC reportable outages or Florida Public Service Commission reportable outages.

5. SCT hereby certifies that it did fulfill all requests for service from potential customers.

6. SCT hereby certifies that for the period from March 1, 2009 and March 1, 2010 no Florida Public Service Commission complaints were received, and only two (2) informal FCC complaints were received which were responded to and resolved without formal action.

7. SCT hereby certifies that it is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.

James T. Schumacher
Vice President – Finance and Administration

STATE OF FLORIDA
COUNTY OF ORANGE

Acknowledged before me this 16th the day of April, 2010, by James T. Schumacher, as Vice President – Finance and Administration of Smart City Telecommunications LLC d/b/a Smart City Telecom, who is personally known to me or produced identification and who did take an oath.

Lynn B. Hall
Notary Public – State of Florida

Personally Known X
Produced Identification
Type of Identification Produced