

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: July 7, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: James S. Polk, Regulatory Analyst II, Division of Regulatory Analysis
RE: Amending affidavit of GTC, Inc.d/b/a FairPoint Communications for High-Cost State Certification Docket No. 110134-TL

Handwritten initials "JP" and a signature "mtg" in the right margin.

GTC, Inc. d/b/a FairPoint Communications has amended its affidavit in the above docket. GTC's Document No. 03762-11 was filed on May 31, 2011. On the first page **AFFIDAVIT**, the second paragraph was amended to read **2012**, not 2011.

Please place a copy of the attached amended affidavit in the above official docket file. If you have any questions, please give me a call. Thank you for your assistance in this matter.

cc: Beth Salak, BobTrapp, Bob Casey

DOCUMENT NUMBER-DATE

04729 JUL 11 =

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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 2012 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.

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