

**ANDERECK, EVANS, MILNE, PEACE & JOHNSON, L.L.C.**

ATTORNEYS AT LAW

EUGENE E. ANDERECK

TERRY M. EVANS

ERWIN L. MILNE

JACK PEACE

CRAIG S. JOHNSON

RODRIC A. WIDGER

GEORGE M. JOHNSON

BEVERLY J. FIGG

WILLIAM S. LEWIS

VICTOR S. SCOTT

COREY K. HERRON

700 EAST CAPITOL AVENUE

COL. DARWIN MARMADUKE HOUSE

P.O. BOX 1438

JEFFERSON CITY, MISSOURI 65102-1438

TELEPHONE 573-634-3422

FAX 573-634-7822

MATTHEW M. KROHN

LANETTE R. GOOCH

SHAWN BATTAGLER

ROB TROWBRIDGE

JOSEPH M. PAGE

LISA C. CHASE

JUDITH E. KOEHLER

ANDREW J. SPORLEDER

June 16, 2005

**FILED**

**JUN 16 2005**

OF COUNSEL

MARVIN J. SHARP

PATRICK A. BAUMHOER

GREGORY C. STOCKARD (1904-1993)

PHIL HAUCK (1924-1991)

Coleen "Cully" Dale, Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

Missouri Public  
Service Commission

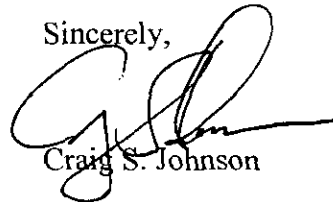
**Re: In the Matter of the Application of Chariton Valley Telecom Corporation  
For Designation as Telecommunications Carrier. Case No. TO-2005-0423.**

Dear Secretary Dale:

Enclosed please find an original and eight (8) copies of the Chariton Valley Telecom Corporation Suggestions in Oppositions to Spectra's Application to Intervene. A copy of this letter, and a copy of the enclosed suggestions, has been served upon all council of record.

Thank you for seeing this filed.

Sincerely,



Craig S. Johnson

CSJ:sjo

Enclosure

CC: PSC General Counsel  
OPC General Counsel  
Charles Brent Stewart  
Jim Simon

TRENTON OFFICE  
9th AND WASHINGTON  
P.O. BOX 547  
TRENTON, MISSOURI 64683-0547  
660-359-2244  
FAX 660-359-2116

SPRINGFIELD OFFICE  
1111 S. GLENSTONE  
P.O. BOX 4929  
SPRINGFIELD, MISSOURI 65808-4929  
417-864-6401  
FAX 417-864-4967

PRINCETON OFFICE  
207 NORTH WASHINGTON  
PRINCETON, MISSOURI 64673  
660-748-2244  
FAX 660-748-4405

SMITHVILLE OFFICE  
119 E. MAIN STREET  
P.O. BOX 654  
SMITHVILLE, MISSOURI 64089  
816-532-3895  
FAX 816-532-3899

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED

JUN 16 2005

In the Matter of the Application of )  
Chariton Valley Telecom Corporation )  
For Designation as a Telecommunications )  
Carrier Eligible for Federal Universal )  
Service Support pursuant to Section )  
254 of the Telecommunications Act of )  
1996. )

Case No. TO-2005-0423  
Missouri Public  
Service Commission

**Suggestions in Opposition to Application to Intervene  
of Spectra Communications Group, LLC**

Applicant Chariton Valley Telecom Corporation submits the following suggestions in opposition to the Application to Intervene submitted by Spectra on or about June 9, 2005.

1. Chariton Valley denies Spectra's assertion it is a rural telephone company.
2. Chariton Valley denies Spectra's assertion it is an incumbent local exchange carrier.
3. The remainder of this Opposition assumes, for the sake of argument, that Spectra is both a rural telephone company and an incumbent local exchange carrier.
4. Chariton Valley suggests that, as a matter of law, Eligible Telecommunications Carriers are entitled to participate in Universal Service Support without having to serve throughout the entire study area of an incumbent rural telephone company. As a matter of law Chariton Valley, if it is designated an ETC, is entitled to per line USF support based upon Spectra's disaggregation and targeted support plan filed pursuant to FCC rules. The remaining aspects of Spectra's intervention fail to specify

any other grounds for intervention with sufficient particularity to provide for a meaningful response.

5. Chariton Valley is not stating it does not have to meet the criteria for ETC as set forth in its Application. Chariton Valley is stating that Spectra's purported ground for intervention is incorrect as a matter of law. Chariton Valley cannot be lawfully denied ETC status because it serves in Macon but not in the other 106 Spectra exchanges.

6. The basis of Spectra's intervention is that definitions of "service area" and "study area" means Chariton Valley Telecom should be denied ETC status because Chariton Valley Telecom serves in the single Macon exchange, and not in all exchanges constituting the entirety Spectra's study area. See paragraph 5 of Spectra's Application to Intervene.

7. Paragraph 5 of Spectra's Application to Intervene correctly recites an excerpt of 47 USC 241(e)(5), which, at the time of the February 8, 1996 enactment of the Telecommunications Act of 1996, then recognized that in the case of an area served by a rural telephone company, "service area" meant a company's USF study area until the FCC establishes different rules after Federal-State joint board recommendations.

8. Nine years have elapsed since the enactment of the 1996 Telecommunications Act. The Federal-State "Rural Task Force has been appointed and performed its work. The FCC has considered the Rural Task Force Report. In 1999 the FCC issued rules permitting ETCs to obtain USF support. See 47 DFR Part 54. Those rules allowed incumbent ILECs to file "disaggregation and targeted USF support" plans. ETC's were given the right to obtain per line support at the levels indicated in an ILEC's disaggregation plan. The Universal Service Administrative Company (USAC) was

organized, and for years now the USAC has been distributing USF support to ETCs, incumbent and competitive ETCs alike, based upon line counts and per-line support amounts.

9. Balancing the interests of competition and universal service, these disaggregation plans were specifically intended to provide ETCs with per-line USF support amounts targeted at an area *smaller* than the ILECs entire study area. The rules were specifically designed so that a competitive ETC did *not* have to serve an incumbent's entire study area. Section 214(e) cannot now be interpreted as requiring an ETC to serve any ILEC's entire study area.

10. By Order of June 15, 2000 in TA-2000-591, This Commission certified Mark Twain Communications Company as an ETC in Spectra's service area. Mark Twain was granted ETC even though Mark Twain was only competes with Spectra in three (Ewing, Lewistown, and LaBelle) of Spectra's 107 Missouri exchanges. In TA-2000-591 Spectra did not take the position Mark Twain should be denied ETC designation because it did not serve Spectra's entire study area.

11. 47 CFR 54.313 provided three paths by which disaggregation and targeting of high-cost universal service support could be obtained. Path 1 was for carriers not disaggregating. Path 2 required a carrier seeking disaggregation to file its plan with state commissions. Path 3 allowed self-certification by the carrier of its plan. Path 3 limited the disaggregation plan to no more than two cost zones per wire center.

12. As Mark Twain Communications had been designated an ETC in Spectra's service area prior to June 19, 2001, Spectra was limited to a Path 3 disaggregation plan.

13. The following excerpt from USAC's web page demonstrate the procedure ILECs were to follow with respect to USF receipts and disaggregation plans:

**"General Requirements Applicable to Paths Two and Three**

Until a CETC is certified in a study area, support will continue to be distributed at the study area level. In study areas in which a CETC was designated prior to June 19, 2001, the incumbent carrier must generally opt for Path Two and seek state regulatory approval if it wishes to disaggregate and target support. The only exceptions to this rule are study areas in which a disaggregation and targeting plan was already approved by a state commission. Under those circumstances, an incumbent carrier could self-certify its disaggregation plan that had already been approved by a state commission. Disaggregated support must equal support without disaggregation. That is, an incumbent carrier's study area support must be the same regardless of whether support is disaggregated or not. The ratio of per-line support between zones for HCL, LTS, and LSS shall remain fixed over time unless the state commission dictates a change. This ratio of per-line support must be made publicly available. Once a CETC is designated in a rural study area, the CETC's per-line amounts should mirror the incumbent carrier's per-line support amounts. That is, the per-line support amounts used to determine the CETC's support should be based on the incumbent carrier's total support levels, lines, and disaggregated support relationships. Per-line support for each category of support in each disaggregation zone must be determined such that the relative support relationships between zones will be maintained. In addition, the product of all of the incumbent's lines for each cost zone multiplied by the per-line support for those zones when added together must equal the sum of the incumbent's total level of support. Whenever an incumbent's total annual support amounts change, per-line support amounts for each zone must be similarly re-calculated, using the changed support amounts and lines at that point in time."

14. Spectra filed its disaggregation plan with the Missouri Commission on or about May 10, 2002. A copy of Spectra's Path 3 disaggregation plan certification is attached hereto as Attachment 1.

15. In its certified disaggregation plan, Spectra specified it was for a four year period, which period has not expired. USAC's web site disaggregation maps establish that Spectra's plan has not been revised in accordance with 47 CFR 54.315(b)(4).

16. Spectra certified two different zones of per-line support levels. A copy of Spectra's map designating two different support zones, as downloaded from the USAC web site, is attached hereto as Attachment 2. Spectra's disaggregation plan specifies whether each of its 107 Missouri exchanges is a Zone 1 or Zone 2 exchange. It shows Macon as a Zone 1 exchange.

17. Disaggregation plans were specifically intended to allow USF support based upon line counts and per-line support amounts specified in a disaggregation plan. The following is an additional excerpt from the USAC website. It recites the history underlying the FCC's adoption of the new USF rules found at 47 CFR 54, and concludes the FCC intended that ETC USF support would be based on per line support amounts as per disaggregation plans, and that competitive ETCs had no obligation to serve the ILEC's entire study area:

" Under the existing embedded cost mechanism, federal high cost universal service support for rural carriers is averaged across all lines served by a carrier within its study area. Thus, support on a per-line basis is the same throughout a study area even though the costs of serving customers in that study area likely vary. In the RTF Order, the FCC concluded that support should be disaggregated and targeted below the study area level, which will achieve a balance between rural carriers' needs for flexibility and the FCC's goal of encouraging competitive

entry. The FCC, therefore, adopted, with certain modifications, the three paths for the disaggregation and targeting of high cost universal service support proposed by the Rural Task Force.”

18. 47 CFR 54.313 sets forth the deadlines for disaggregation and targeted support plans. These deadlines were set for 2000 and 2001. The FCC rules setting forth the conversion of the USF from an ILEC-only study area calculation to an all-ETCs line count and per-line support amount were also adopted in 1999. The disaggregation and targeted support plans constituted “subsequent modifications by the FCC, after taking into account Federal-State Joint Board recommendations”, envisioned in the 1996 enactment language of 47 USC §214(e)(5).

19. Since 1999 there has been no legitimate basis for Spectra’s contention that a competitive ETC has to establish that it serves in an ILEC’s entire study area in order to be eligible for ETC designation. 47 CFR 54.307 “Support to a competitive eligible telecommunications carrier”, provides in section (a)(1) that:

“(a) *Calculation of Support*. A competitive eligible telecommunications carrier shall receive universal service support to the extent that the competitive eligible telecommunications carrier captures the subscriber lines of an incumbent local exchange carrier (LEC) or serves new subscriber lines in the incumbent LEC’s service area.

(1) A competitive eligible telecommunications carrier serving loops in the service area of a rural incumbent local exchange carrier, as that term is defined in §54.5 of this chapter, shall receive support for each line it serves in a particular service area based on the support the incumbent LEC would receive for each such line, disaggregated by cost zone if disaggregation zones have been established within the service area pursuant to §54.315 of this subpart.”

20. The pleaded basis for Spectra's intervention is contrary to law. Spectra's intervention should be denied.

WHEREFORE, on the basis of the foregoing, as the grounds for which Spectra claims a right to intervention are not a correct or accurate description of the prerequisites to obtain ETC status, Spectra's intervention should be denied on this basis.

**ANDERECK, EVANS, MILNE,  
PEACE & JOHNSON, L.L.C.**

By 

Craig S. Johnson MO Bar No. 28179

The Col. Darwin Marmaduke House

700 East Capitol

P.O. Box 1438

Jefferson City, MO 65102-1438

Telephone: (573) 634-3422

Fax: (573) 634-7822

ATTORNEYS FOR Chariton Valley Telecom



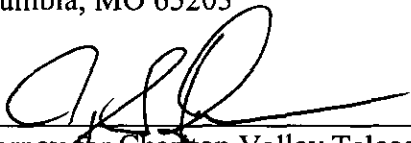
CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was hand delivered or mailed, via U.S. Mail, postage prepaid, this 16<sup>th</sup> day of June, 2005, to the following parties to:

General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

Michael F. Dandino  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Charles Brent Stewart  
Steward & Keevil, LLC  
4603 John Garry Drive  
Suite 11  
Columbia, MO 65203

  
\_\_\_\_\_  
Attorney for Charlton Valley Telecom

Craig S.

May 10, 2002

Public Information Office, Governor Office Building  
200 Madison Street  
PO Box 360  
Jefferson City, MO 65102-0360  
Attn: Dale Hardy

Re: Certification of Spectra Communications Group, LLC, Study Area 421151, to Disaggregate and Target High-Cost Universal Support, pursuant to 47 C.F.R. 54.315 under Path 3

Dear Mr. Hardy,

On behalf of Spectra Communications Group, LLC, Study Area 421151, I write to certify that Spectra Communications Group, LLC elects to disaggregate and target high-cost universal service support under Path 3. This election is made for the four year period established in 47 C.F.R. 54.315(b) and will remain in effect unless revised in accordance with in 47 C.F.R. 54.315(b)(4). The following enclosures demonstrate that the Company's plan complies with the requirements established by the FCC for Path 3 election and for disaggregation filings as set out in 47 C.F.R. 54.315:

- documentation supporting our methodology and rationale
- map(s) of the study area

I certify that I am authorized to make such certification on behalf of Spectra Communications Group, LLC.

In the event you have any questions regarding this certification, please contact Ken Matzdorff at 816-779-8250 or [Kenneth.matzdorff@centurytel.com](mailto:Kenneth.matzdorff@centurytel.com). I can be reached at 318-388-9648 or [Jeff.glover@centurytel.com](mailto:Jeff.glover@centurytel.com).

Sincerely,

Jeffrey S. Glover  
Vice President External Relations  
For Spectra Communications Group, LLC

Enc.

cc: Universal Service Administration Company, 2120 L Street, NW, Suite 600, Washington, D.C. 20037  
John Van Eschen, Director Telecommunications Division, Missouri Public Service Commission, Public Information Office, Governor Office Building, 200 Madison Street, PO Box 360, Jefferson City, MO 65102-0360  
Office of Public Counsel, Governor Office Building, Suite 650, 200 Madison Street, P.O. Box 7800, Jefferson City, MO 65102-7800  
Trip England - via email - [trip@brydonlaw.com](mailto:trip@brydonlaw.com)

Attachment 1

## Spectra Communications Group, LLC Study Area Code No. 421151

### Introduction

1. This filing is made on behalf of Spectra Communications Group, LLC to propose the disaggregation of explicit federal high-cost support in its Spectra Communications Group study area in the state of Missouri. This study area has been assigned the Study Area Code number 421151. This filing is made pursuant to the Order of the Federal Communications Commission in CC Docket Nos. 96-45 and 00-256 that was issued on May 23, 2001, that became effective on June 19, 2001. This filing is made pursuant to, and is consistent with, Section 54.315 of the rules of the Federal Communications Commission which specifies the requirements for disaggregation filings.

### Total Study Area Support

2. The total amount of support available to this study area without disaggregation is summarized in the following chart:

#### Support Summary

		Monthly	Per Line
High Cost Loop	HCL	\$693,057	\$5.30
Interstate Common Line Support	ICLS	\$718,090	\$5.50
Long Term Support	LTS	\$0	\$0.00
Local Switching Support	LSS	\$0	\$0.00
	Total	\$1,411,147	\$ 10.80

### Description of Disaggregation Plan

3. This study area contains 107 wire centers.
4. This plan establishes two support zones for the entire study area. It therefore meets the criteria established in 54.315 that support be disaggregated "into no more than two cost zones per wire center". This disaggregation is done differently for loop-related (i.e., HCL, ICLS, and LTS) and switch-related (i.e., LSS) support mechanisms. The precise means by which this disaggregation is performed are described in the following sections.

5. The disaggregation plan provides support as follows for the High Cost Loop (HCL), Interstate Common Line Support (ICLS), Long Term Support (LTS), and Local Switching Support (LSS) explicit federal support mechanisms:

<u>HCL</u>		<u>ICLS</u>		<u>LTS</u>		<u>LSS</u>	
Zone 1	Zone 2	Zone 1	Zone 2	Zone 1	Zone 2	Zone 1	Zone 2
\$1.76	\$7.47	\$1.83	\$7.74	\$0	\$0	\$0	\$0

6. Loop related support is composed of High Cost Loop (HCL) support (Part 36, Subsection F), Interstate Common Line Support (ICLS), and Long Term Support (LTS) (Section 54.503). All of these mechanisms provide support to carriers with high loop costs. While the exact methods by which these mechanisms calculate support are not identical, each mechanism provides support in a manner in which the higher the loop cost of the carrier, the more support the carrier receives. In disaggregating the loop-related mechanisms this methodology seeks to define a lower-cost zone (Zone 1) where relatively less loop related support is appropriate. The remaining support assigned to this study area is then distributed to the remaining lines in the study area (Zone 2) on a uniform basis.
7. The identification of the lower-cost zone was accomplished using a publicly available proxy model, the Benchmark Cost Proxy Model Version 3.0 with FCC Common Inputs that was placed on the public record in CC Docket 96-45 by the model sponsors Bell South, Sprint and U S WEST on December 11, 1997. Copies of this model may be obtained from the FCC's document vendor International Transcription Services. It is important to note that this model data is used solely for purposes of distributing the fixed amount of total study area support. Furthermore, even though the cost data was submitted in late 1997, it utilizes a forward-looking cost methodology and a network architecture that is currently used today, and that is similar to that used in the FCC's Hybrid Cost Proxy Model (HCPM). The results of the BCPM3 with FCC Common Inputs correlate very well with the results of the HCPM. The computed results of the HCPM for the non-rural study areas are not publicly available, whereas the results from the BCPM3 with FCC Common Inputs are. For this reason this data forms a publicly available and reliable basis for assessing the relationship of cost and density.
8. The 107 wire centers in this study area were ranked based on their corresponding monthly loop cost as identified by the BCPM3 (See Column B, Exhibit 1). The BCPM3 loop support per wire center is identified in Column E of Exhibit 1. It was determined by comparing the wire center cost per line (Column C) to 115% of the nation wide average cost per loop (\$31.07). This difference was then multiplied by the access line count to determine the total monthly BCPM3 loop support for the wire center.
9. We then developed a factor to reconcile the BCPM3 loop support to the total actual study area loop support. The reconciliation factor is the total actual monthly loop support for the

study area divided by the sum of the BCPM3 loop support for all wire centers. The actual loop support per wire center is indicated in Column F and consists of the BCPM3 loop support multiplied by the reconciliation factor.

10. The thirteen lowest cost wire centers shaded on Exhibit 1 have been designated as Zone 1 (Column G). The remaining higher cost wire centers have been designated as Zone 2. Exhibit 2 is a map showing Zone 1 and Zone 2 wire centers.
11. The monthly loop support for Zone 1 is established at \$3.59 per line, this represents the total Zone 1 support divided by the total Zone 1 access lines on Exhibit 1. The monthly loop support for Zone 2 is established at \$15.22 per line, this represents the total Zone 2 support divided by the total Zone 2 access lines on Exhibit 2.
12. Switch-related support is composed of Local Switching Support (LSS) (Section 54.301). Since CenturyTel serves over 50,000 lines it is not eligible for switch-related support.

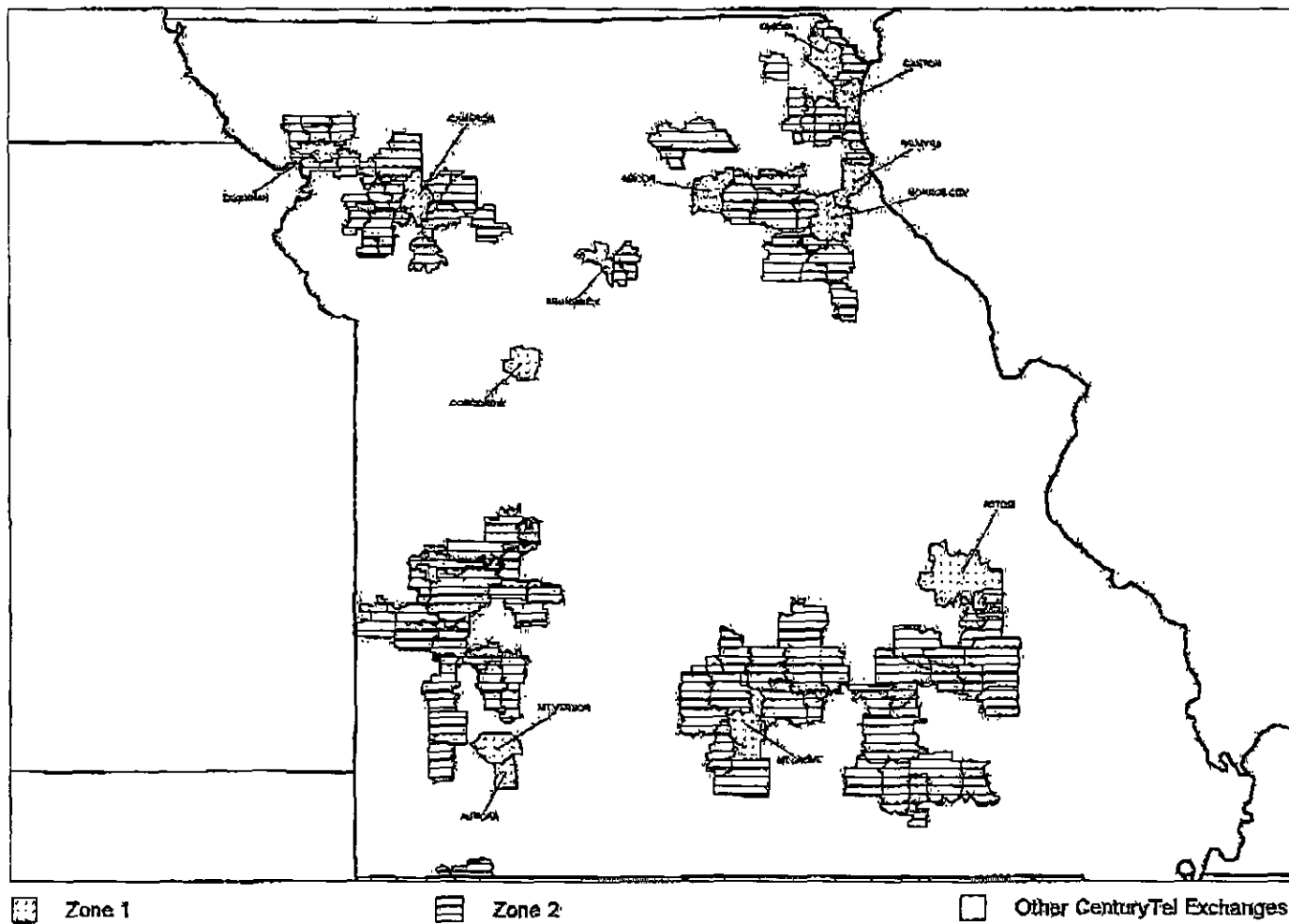
### **Total Disaggregated Support**

13. The support provided by this disaggregation plan does not change the total support received by the study area. The total monthly loop support for Zone 1 (\$177,927) and Zone 2 (\$1,233,220) will produce this same level of total support indicated in Paragraph 2 above and the following chart:

<u>Lines</u>		<u>HCL Support</u>		<u>ICLS Support</u>		<u>LTS Support</u>		<u>LSS Support</u>		
Zone 1	Zone 2	Zone 1	Zone 2	Zone 1	Zone 2	Zone 1	Zone 2	Zone 1	Zone 2	Total
49,600	81,051	\$87,385	\$605,671	\$90,542	\$627,548	\$0	\$0	\$0	\$0	\$1,411,147

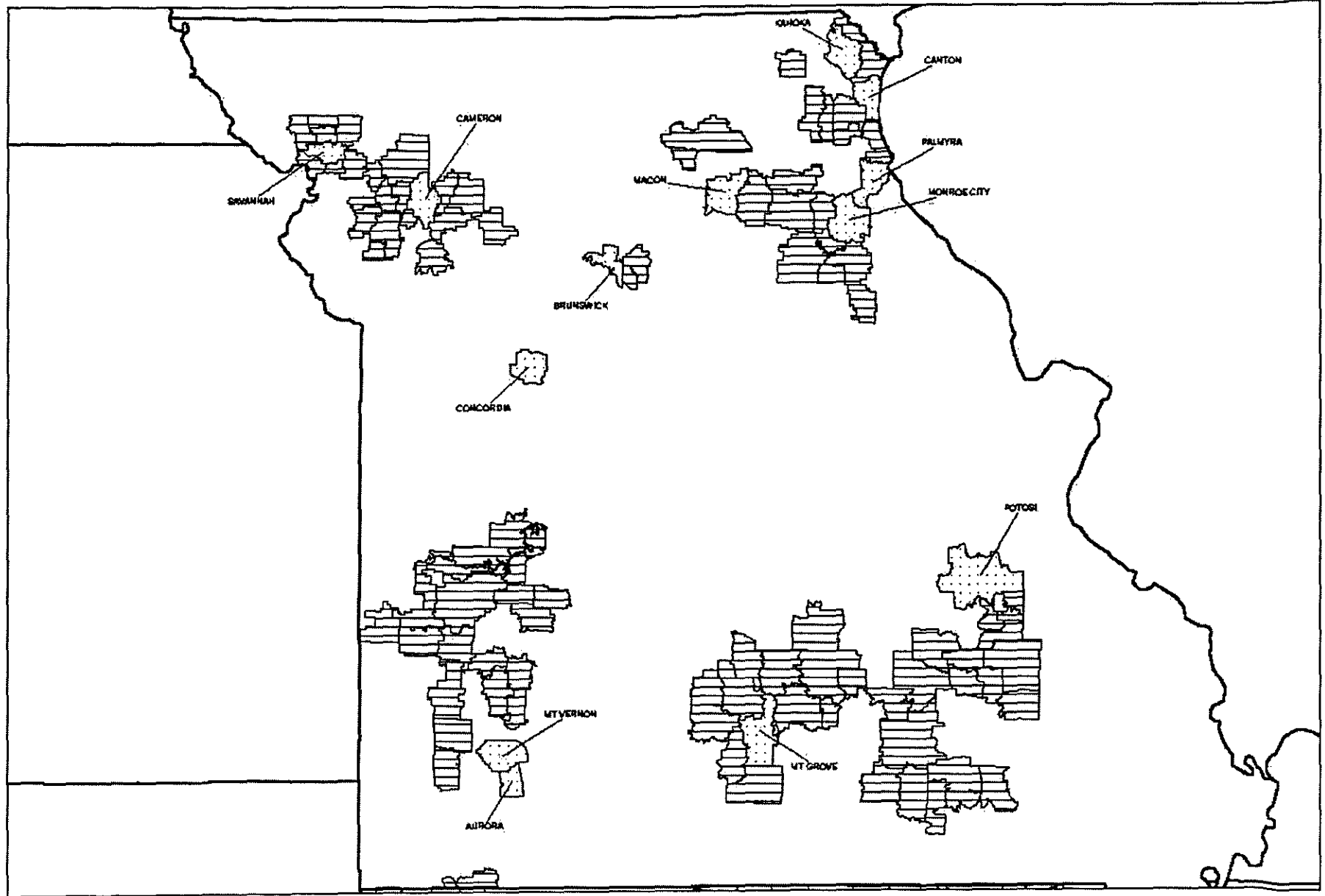
14. Based upon the foregoing, CenturyTel certifies that it meets the requirements of Part 54.315 of the FCC rules for this disaggregation plan.

Spectra Communications  
Study Area #: 421151



Spectra Communications  
Study Area #: 421151

Attachment 2



Zone 1

Zone 2

Other CenturyTel Exchanges