

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re Request of)
)
CENTENNIAL COMMUNICATIONS CORP.) CC Docket No. 96-45
) CC Docket No. 00-256
For Review of Decision by the Universal Service)
Administrative Company, or For Waiver of the)
Interstate Common Line Support "True-Up" Rules)

TO: The Commission

**COMMENTS OF
THE WESTERN TELECOMMUNICATIONS ALLIANCE
AND
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT
OF SMALL TELECOMMUNICATIONS COMPANIES
AND
THE INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE**

The Western Telecommunications Alliance ("WTA"), the Organization for the Promotion and Advancement of Small Telecommunications Companies ("OPASTCO") and the Independent Telephone & Telecommunications Alliance ("ITTA) submit their comments in opposition to the request of Centennial Communications Corp. ("CCC") for review and reversal of a Universal Service Administrative Company ("USAC") true-up and \$5.38 million reduction of its portable Interstate Common Line Support ("ICLS") distributions for Puerto Rico for 2004, or (in the alternative) for a waiver to allow CCC to keep the entire \$9.18 million of portable 2004 ICLS support it actually received for Puerto Rico rather than the \$3.80 million of portable 2004 ICLS support to which it was entitled pursuant to the true-up.

WTA is a trade association representing approximately 250 rural incumbent local exchange carriers (“ILECs”) operating west of the Mississippi River. OPASTCO is a national trade association representing over 520 rural ILECs. ITTA represents mid-size ILECs that provide wireline and wireless voice, data, Internet, and video telecommunications services to more than 13 million customers in 43 states.

The three associations have recently filed comments and reply comments strongly supporting the Joint Board’s Recommended Decision¹ for an interim, emergency cap on the amount of portable high-cost support distributed to competitive eligible telecommunications carriers (“CETCs”). Portable CETC support is the particular Universal Service Fund (“USF”) program that is growing so explosively (at a projected increase of roughly \$500 million per year) that it threatens the stability and sustainability of the entire USF. Liberal designation of CETCs by certain state commissions, in combination with the “identical support rule” that calculates portable support without reference to the actual costs of CETCs, have been the primary causes of the gold rush that has led to excessive growth in portable CETC support.

This proceeding constitutes yet another example of the defects and absurdities of the identical support rule. For neither 2004 nor any other year has CCC incurred any of the actual costs, or made any of the actual investments and expenditures, upon which the ICLS distributions to the Puerto Rico Telephone Company (“PRTC,” the ILEC in whose service area CCC operates) are based. Yet, pursuant to the identical support rule, CCC has been receiving portable ICLS support in the same per-line amount as PRTC even

¹ Recommended Decision (*High-Cost Universal Service Support and Federal-State Joint Board on Universal Service*), WC Docket No. 05-337 and CC Docket No. 96-45, FCC 07J-1, released May 1, 2007.

though such portable ICLS support bears no relation to CCC's own actual costs and expenditures.


CCC has filed the subject request in an attempt to keep most or all of the portable ICLS support that it initially received for 2004 on the basis of PRTC's original ICLS distributions. It wants to do this **even though** the ICLS distributions to PRTC that served as the basis for the calculation of CCC's 2004 portable ICLS support were later reduced substantially. In other words, CCC is no longer seeking the same portable per-line ILCS as that received by PRTC in order to achieve some sort of alleged "competitively neutral" result. Instead, CCC is requesting a much larger portable per-line 2004 ICLS payment than PRTC without reference to "competitive neutrality" or any other public policy justification, but rather because CCC simply wants to keep the money that it received initially.

As recognized by many federal and state regulators, the identical support rule has long ago outlived any rationale or value that it may have had in 1996 and 1997 when USF support was first made available to CETCs. In today's very different telecommunications industry, distributing high-cost USF support to CETCs on the basis of an ILEC's costs makes no more sense than requiring taxes to be calculated and paid by one entity on the basis of another entity's income, or providing medical treatment to one person on the basis of another person's medical history and test results.

By making it clear that the issue is one of dollars rather than “competitive neutrality,” the CCC request removes the last fig leaf of alleged policy justification from the identical support rule. Not only should CCC’s requested review and waiver be denied, but also the identical support rule should be terminated as soon as practicable.

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Respectfully submitted,
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