

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. C-4459/PI-185
Public Service Commission, on) Progression Order No. 3
its own motion, to investigate)
and monitor compliance with) ORDER
federally mandated)
intercarrier compensation)
reform.) Entered: January 23, 2013

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On November 18, 2011, the Federal Communications Commission (FCC) released a Report and Order and Further Notice of Proposed Rulemaking¹ ("Report and Order") and therein adopted an intercarrier compensation framework for both intrastate and interstate telecommunications traffic which will transition to a bill and keep regime. As a part of the transition to bill and keep, the FCC's Report and Order requires carriers to reduce their terminating intrastate access rates to the level of their interstate switched access rates in two steps. In the first step, carriers with certain intrastate access rates above interstate access rates are required to reduce their intrastate rates thereby reducing the intrastate revenue produced by these rates by 50 percent effective July 1, 2012², which was extended to July 3, 2012, as July 1st fell on a Sunday.³

In its Report and Order, the FCC assigned state commissions with the responsibility to facilitate the implementation of changes to intrastate access rates and to ensure carrier compliance with the Report and Order. To that end, the

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 F.C.C.R. 17663, 26 FCC Rcd 17663 (rel. Nov. 18, 2011)(Report and Order) pets. for review pending, *Direct Commc'ns Cedar Valley, LLC v FCC*, No. 11-9581 (10th Cir. filed Dec. 18, 2011) (and consolidated cases).

² See 47 C.F.R. §§ 51.907(b), 51.909(b) and 51.911(b).

³ See *July 3, 2012, Annual Access Charge Tariff Filings*, WCB/Pricing File No. 12-07 Order, DA 12-482 (Wireline Comp. Bur., rel. March 28, 2012). The Commission has been further advised that some carriers have agreed to the July 3, 2012, effective date for incumbent local exchange carriers. Since many competitive carriers mirrored the incumbent carrier access rates and for administrative tracking purposes, the Commission used the July 3, 2012, date as the deadline by which all access tariff changes should be considered effective.

Commission opened this proceeding to establish an efficient process by which the Commission could review the large number of simultaneous access filings and at the same time assist carriers in complying with the FCC's new rules.

Revised tariffs were required to be filed in time to be considered effective July 3, 2012. However, because of the limited time frame provided for the Commission's review of the revised access rates, those access reductions were to be considered interim for a period of time following the July 3, 2012, effective date and subject to true-up to the extent that the Commission determined that the submitted rates require modification.

On August 31, 2012, the Federal Communications Commission (FCC) issued an Order⁴ to investigate certain 2012 annual access tariff filings. The FCC identified a list of carriers subject to the investigation. On October 10, 2012, the Hearing Officer entered an order to clarify the procedure for filing changed or updated tariffs filed with the Commission pursuant to the FCC's August 31, 2012 Order.

The purpose of this Progression Order is to consider whether the rates contained in these tariffs filed in this proceeding are compliant with the FCC's Report and Order and rules promulgated thereunder. The Commission staff has reviewed the tariffs filed in this proceeding and recommend that the carriers listed in "Appendix A" be considered compliant with the FCC's new rules. Upon consideration of this recommendation, the Commission hereby finds the staff recommendation should be approved and the tariffs filed by the carriers listed in "Appendix A" should be deemed compliant with the FCC's Report and Order and 47 C.F.R. §§ 51.907(b), 51.909(b) and 51.911(b).

In addition, the Commission staff is continuing to review the tariffs filed by the carriers listed in "Appendix B." Once that review is complete, the Commission will make its determination and will enter a further progression order finalizing its review.

⁴ See *In the Matter of Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB Pricing No. 12-09, Order Designating Issues for Investigation, 27 F.C.C.R. 10311, 27 FCC Rcd. 10311 (August 31, 2012) ("FCC Investigation").

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the tariffs filed by the telecommunications carriers listed in "Appendix A" be, and they are hereby, deemed compliant with the FCC's rules requiring intercarrier compensation reform.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of January, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

Application No. C-4459/PI-185

Page 3

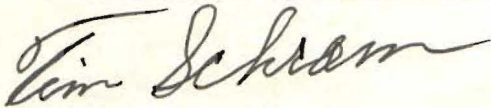
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the tariffs filed by the telecommunications carriers listed in "Appendix A" be, and they are hereby, deemed compliant with the FCC's rules requiring intercarrier compensation reform.

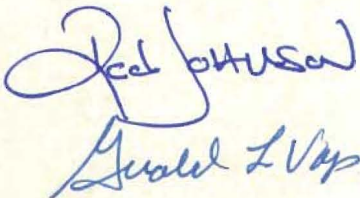
MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of January, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



Chair



ATTEST:



Executive Director

//s//Anne C. Boyle
//s//Frank E. Landis