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August 13, 2010

VIA ELECTRONIC MAIL AND U.S. MAIL

Filing Center
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Re: UM 1481 – Oregon Telecommunications Association Data
Regarding Local Rates

Dear Sir/Madam:

On the issue of data development, OTA has been reviewing some of the information it provided to the Commission on July 19, 2010. Specifically, it appears that there is a need to revise the charts related to the intercarrier compensation transition. Enclosed you will find two revised tables.

Those data sets have been improved in three ways. First, the column containing the starting point of local rates has been modified to add in the \$6.50 Subscriber Line Charge that companies assess so that the tables show a starting and ending point that include the same items. Second, in the tables related to transition of the intrastate switched access rates to the interstate switched access minute of use rate level, the original numbers were developed based on each company's own access minutes. However, all intrastate switched access revenue for OTA's members are pooled in a voluntary pooling arrangement overseen by the Oregon Exchange Carrier Association. The effect of the pool distributions was not taken into account in the original data. Thus, the table filed on July 19, 2010, understated the local rate effect for pool recipients. The effect of pool distributions is now taken into account. Third, in calculating the transition to a "0" access rate, the table in the filing of July 19, 2010, did not take into account the interstate access revenues. That table was

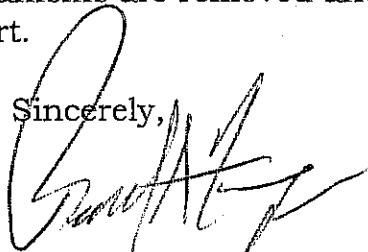
premised solely on intrastate access revenue decreases. That deficiency has been corrected.

As demonstrated on Table 1, moving OTA members' intrastate switched access rates to the composite interstate switched access minute of use rate level produces potential local rates of up to \$70 per month if there is no additional support mechanism. Four companies would have monthly local rates in excess of \$50. Every OTA company would have local service rates exceeding \$30 per month. These rates exceed what would be "reasonably comparable" rates for basic local service.

In Table 2, the effects of moving to a "0" access rate is portrayed. As can be quickly seen, the level of local service rates become very, very high, exceeding \$100 per month in some areas and \$200 per month for one company. This demonstrates that intercarrier compensation reform cannot occur in a vacuum. The resulting rates would violate the standards of Section 254.

Please keep in mind that these numbers focus only on intercarrier compensation. The tables assume that the same level of support from existing universal service mechanisms remains in place. The local rates would be much higher if the universal service mechanisms are removed and are not replaced with an equivalent level of support.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosure

cc: Service List (via U.S. mail)
Member Companies (via e-mail)
Brant Wolf (via e-mail)

Table 1

OTA ILEC MEMBERS

EFFECT OF TRANSITION OF INTRASTATE SWITCHED ACCESS RATES
TO COMPOSITE INTERSTATE SWITCHED RATE LEVEL

| Company | Current Rate* | Post Transition Rate |
|----------------|-----------------|----------------------|
| Asotin | \$18.75 | \$32.52 |
| Beaver Creek | \$30.50 | \$33.04 |
| Canby | \$30.58 | \$33.43 |
| Cascade | \$33.89/\$30.24 | \$37.81/\$34.16 |
| Clear Creek | \$32.87 | \$35.47 |
| ColtonTel | \$44.35 | \$50.08 |
| Eagle | \$18.10 | \$37.77 |
| Gervais | \$34.45 | \$40.78 |
| Helix | \$22.17-\$26.17 | \$28.29-\$32.29 |
| Home | \$23.05 | \$35.92 |
| Molalla | \$34.45 | \$36.00 |
| Monitor | \$23.15 | \$57.84 |
| Monroe | \$30.08 | \$38.93 |
| Mt. Angel | \$24.50 | \$35.08 |
| Nehalem | \$19.50 | \$34.69 |
| North-State | \$33.30 | \$52.66 |
| OR-Idaho | \$18.15-\$26.55 | \$37.96-\$46.26 |
| Oregon Tel | \$29.00 | \$63.24 |
| People's | \$29.40 | \$41.85 |
| Pine | \$16.50 | \$70.55 |
| Pioneer | \$22.95 | \$30.62 |
| Roome | \$33.50/\$36.50 | \$42.26/\$45.26 |
| St. Paul | \$27.35 | \$37.56 |
| Scio | \$29.65-\$31.00 | \$42.72-\$44.07 |
| Stayton | \$24.99 | \$32.00 |
| Trans-Cascades | \$28.62 | \$38.72 |

*Taken from company tariffs and pricing schedules for residential rates including EAS and existing \$6.50 subscriber line charge (SLC).

Table 2

OTA ILEC MEMBERS
EFFECT OF TRANSITION OF SWITCHED
ACCESS RATES TO "0" RATE

| Company | Existing Local Rate* (w/EAS) | Rate After Transition |
|----------------|------------------------------|-----------------------|
| Asotin | \$18.75 | \$61.90 |
| Beaver Creek | \$30.50 | \$43.51 |
| Canby | \$30.58 | \$47.00 |
| Cascade | \$33.89/\$30.24 | \$70.36/\$66.71 |
| Clear Creek | \$32.87 | \$49.08 |
| ColtonTel | \$44.35 | \$96.14 |
| Eagle | \$18.10 | \$63.74 |
| Gervais | \$34.45 | \$78.08 |
| Helix | \$22.17-\$26.17 | \$229.04-\$233.04 |
| Home | \$23.05 | \$60.05 |
| Molalla | \$34.45 | \$47.70 |
| Monitor | \$23.15 | \$104.97 |
| Monroe | \$30.08 | \$45.58 |
| Mt. Angel | \$24.50 | \$53.52 |
| Nehalem | \$19.50 | \$36.94 |
| North-State | \$33.30 | \$114.07 |
| OR-Idaho | \$18.15-\$26.55 | \$68.80-\$77.20 |
| Oregon Tel | \$29.00 | \$92.24 |
| People's | \$29.40 | \$120.02 |
| Pine | \$16.50 | \$102.01 |
| Pioneer | \$22.95 | \$51.86 |
| Roome | \$33.50/\$36.50 | \$108.39/\$111.39 |
| St. Paul | \$27.35 | \$79.03 |
| Scio | \$29.65-\$31.00 | \$52.85-\$54.20 |
| Stayton | \$24.99 | \$70.60 |
| Trans-Cascades | \$28.62 | \$58.84 |

*Residential Rate including EAS and existing SLC at \$6.50 per month

CERTIFICATE OF SERVICE
UM 1481

I hereby certify that I served the attached letter to the Filing Center upon all parties of record in this proceeding by U.S. mail and electronic mail, pursuant to OAR 860-013-0070, unless otherwise specified, to the following parties or attorneys of parties:

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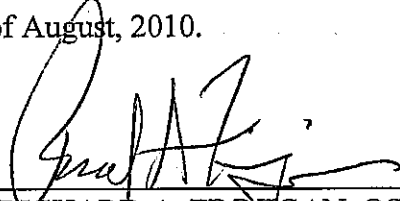
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