Windstream Communications, Inc. 4001 Rodney Parham Road 1170 – B1F03-53A Little Rock, AR 72212 Bettye J. Willis Vice President - State Government Affairs



(p) 501.748.5692 (f) 501.748.7996 (m) 501.690.5451

May 16, 2011

Ms. Ann Cole, Director Division of the Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 323399-0870 THAY IT AM 8: 4:

COMMISSION
CLERK

Re: Docket No. 010977-TL/Docket No. 090168-TL

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and three (3) copies of the signed Affidavit of Cesar Caballero on behalf of Windstream Florida, Inc.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

Bettye Willis

Enclosure

cc: James White (Windstream)

Tim Loken (Windstream)

COM \_\_\_\_\_APA \_\_\_\_
ECR \_\_\_
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RAD \_\_\_\_
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FPSC-COMMISSION CLERK

## **AFFIDAVIT**

BEFORE ME, the undersigned authority appeared Cesar Caballero who deposed and said:

- 1. My name is Cesar Caballero. I am Windstream Florida, Inc.'s, ("Windstream" or the "Company") Vice President, Regulatory Strategy. I am an officer of the Company and 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. Windstream 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. Windstream hereby certifies that it has submitted information required for its universal service filing and refers to these filings in lieu of providing formal network plans. USF disbursements received by the Company and other rural incumbent local exchange companies are divided into four categories: Interstate Common Line Support ("ICLS"), Local Switching Support ("LSS"); High Cost Loop Support ("HCLS"); and Safety Net Additive Support ("SNAS"). The FCC in conjunction with the Federal-State Joint Board on Universal Service has created each of these mechanisms, except ICLS. 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 allows these companies to recover from the fund the difference between their interstate common line costs and the subscriber line charge ("SLC") revenues collected from their customers. ICLS provides support to ILECs for investments and expenses already incurred.

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 prescribed rate of return. Therefore, LSS provides support to rural ILECs for investments and expenses already incurred. This amount is used to offset the rural ILECs' interstate switching revenue requirement. Therefore, the difference between the interstate switching revenue requirement again as set forth in the company's annual interstate cost study, and LSS is used to calculate the local switching rate charged to interexchange carriers.

Rural ILECs are eligible for HCLS based upon their embedded, unseparated loop costs. These costs are calculated using a set of complex algorithms approved by the FCC, the inputs for which are scrutinized by NECA. Therefore, HCLS provides support to rural ILECs for investments and expenses already incurred.

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Pursuant to FCC Orders, SNAS is support above the HCL cap for carriers that make significant investments in rural infrastructure. To receive SNAS, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14 percent greater than the study area's TPIS in the prior year. Therefore, SNAS is providing support to rural ILECs for investments and expenses already incurred. Carriers seeking to qualify for safety net additive support must provide written notice to USAC that a study area meets the 14 percent TPIS trigger.

All of these programs are administered through USAC, a private, not-for-profit corporation. USAC assists NECA in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process necessary for the remittance of universal service funds.

Rural ILECs must attest to the information submitted. Further, NECA and its auditors must attest to the validity and integrity of NECA's process. In other words, the ILEC cost studies and responses to data collection requests are subject to audit. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

All cost studies submitted by rural ILECs, and all USF funding received by rural ILECs must be based upon financial statements. In addition, NECA performs focus reviews of cost studies as well as the USF filings for the cost companies involved in the NECA process. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.

HCLS data used in the HCLS calculations by NECA must also be filed with the FCC in October of each year. This data contains the regulated financial inputs into the algorithm as well as the number of loops that will receive universal service support.

Windstream is eligible for and receives ICLS.

| 4. Windstream hereby certifies that it follows appropriate procedures for network outage reporting in accordance with the Federal Outage Reporting Order and State Outage Reporting Requirements. For the period between March 1, 2010 and March 1, 2011, Windstream had0 FCC reportable outages. Windstream had0 PSC reportable outages. |
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| 5. Windstream hereby certifies that it did fulfill all requests for service from potentia customers.  |
| 6. Windstream hereby certifies that for the period from March 1, 2010 through March 1   |

7. Windstream hereby certifies that it is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

2011 it had \_\_\_\_\_ FCC complaint and \_\_\_\_\_ 6 \_\_\_ state PSC complaints were received.

FURTHER AFFIANT SAYETH NOT.

Cesar Caballero

Vice President, Regulatory Strategy

## STATE OF ARKANSAS **COUNTY OF PULASKI**

Acknowledged before me this // th day of May 2011, by Cesar Caballero, as Vice President, Regulatory Strategy of Windstream Florida, Inc. who is personally known to me or produced identification and who did take an oath.

> Personally Known Produced Identification Type of Identification Produced