

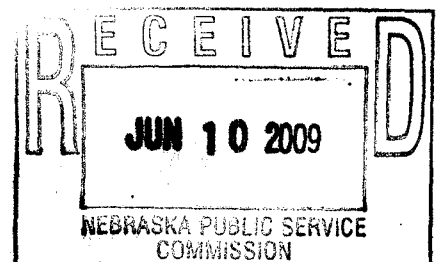
BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission on its own motion to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140.

Application No. C-4145/NUSF-74/PI-147

**REPLY COMMENTS OF UNITED TELEPHONE COMPANY OF
THE WEST d/b/a EMBARQ**

United Telephone Company of the West d/b/a Embarq ("Embarq") respectfully submits these reply comments in response to the initial comments filed on April 23, 2009 in the above-docketed proceeding. In this proceeding, the Nebraska Public Service Commission ("Commission") is conducting an investigation into two issues: (1) an investigation into the minimum evidentiary criteria that should be required of carriers voluntarily requesting an increase in intrastate switched access rates; and (2) an investigation of the Commission's intrastate switched access charge policies. The Commission requested and received comments on these two issues. On May 13, 2009, the Commission issued an Order requesting reply comments. Embarq appreciates the opportunity to file these reply comments.



I. THE REDUCTIONS IN INTRASTATE ACCESS RATES THAT CERTAIN PARTIES PROPOSE ARE BEYOND THE SCOPE OF THE STATED PURPOSE OF THIS PROCEEDING

Embarq recommends that the Commission disregard the comments made by several parties in this docket encouraging the Commission to reduce intrastate switched access rates. The intrastate switched access rate reductions encouraged by some of the parties in this proceeding likely would be contrary to Nebraska statutes. Moreover, any intrastate switched access rate reductions are unwarranted and improper. Indeed, to be consistent with the stated purpose and scope of this investigation, the Commission should not consider any intrastate switched access rate changes in this docket. As the Commission explained in its Order Opening Docket and Seeking Comment, “the purpose of this investigation will be focused on overarching policy objectives and goals rather than specific instances *or rates*.”¹ Therefore the Commission should give little, if any, weight to comments made by parties encouraging the Commission to reduce intrastate switched access rates.

II. THE REDUCTIONS IN INTRASTATE ACCESS RATES THAT CERTAIN PARTIES PROPOSE ARE INCONSISTENT WITH APPLICABLE LAW AND POLICY

Several parties provided comments advocating a reduction in intrastate switched access rates for all local exchange carriers (“LECs”) in the state. AT&T supports an

¹ See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Order Opening Docket and Seeking Comment, entered February 24, 2009, page 3 (emphasis supplied).

intrastate switched access rate that is at parity with interstate rates.² Verizon also believes the Commission should reduce intrastate access rates by removing excessive implicit subsidies³ and advocates for a uniform benchmark that would apply to all LECs.⁴ Qwest also advocates for uniform statewide intrastate switched access rates for all carriers, and seeks that the Commission use Qwest's interstate switched access rate set "as a proxy for cost."⁵ Sprint Nextel states that the Commission should set intrastate switched access rates based on incremental costs.⁶

All of these parties readily admit that the intrastate switched access rates currently in place subsidize universal service.⁷ This evinces the fact that the Parties' proposal to eliminate subsidies is overly-simplistic and self-serving. Their proposal is nothing more than a mathematical exercise of making the rates equal to inapplicable interstate rate levels or to other benchmarks that have no public interest basis – it is

² See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of AT&T Communications of the Midwest and TCG Omaha, Inc. ("AT&T Initial Comments") filed April 23, 2009, page 4.

³ See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon Initial Comments"), filed April 23, 2009, page 11.

⁴ *Id.*, page 13.

⁵ See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of Qwest Corporation ("Qwest Initial Comments"), filed April 23, 2009, pages 4-5.

⁶ See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of Sprint Nextel ("Sprint Initial Comments"), filed April 23, 2009, page 4.

⁷ AT&T Initial Comments, pages 3-4, Verizon Initial Comments, page 10, Qwest Initial Comments, page 3, and Sprint Initial Comments, page 2.

arbitrary and self-serving. The parties fail entirely to consider the essential benefits, such as affordable universal service in Nebraska, that come from any subsidies in intrastate switched access rates. Nor do these parties attempt to calculate the net benefit of their proposals, considering the likely increases to end users' rates and/or increases to the Nebraska Universal Service Fund ("NUSF") against any supposed benefits they allege would result from reducing intrastate switched access rates. Moreover, the Parties fail to address in any meaningful way the fact that their suggested remedies would involve increases to local service rates or the Nebraska Universal Service Fund ("NUSF").

A. The Parties Proposals are Inconsistent with Applicable Law

The Parties' self-serving proposals to reduce intrastate switched access rates are also inconsistent with Nebraska law. The law requires an access charge structure to be set for each LEC.⁸ The law states, "the commission shall not order access charges which would cause the annual revenue to be realized by the local exchange carrier from all interexchange carriers to be less than the annual costs..."⁹ Thus, any reduction to access charges must not cause the annual revenue realized by the LEC from all interexchange carriers to be less than the annual costs incurred or which will be incurred by the LEC in providing such access services. AT&T, for example, claims that interstate switched access rates are already priced above cost and therefore make a good proxy for

⁸ See Neb. Rev. Stat. Section 86-140(1).

⁹ See *id.*

intrastate access charges.¹⁰ As Embarq will discuss in further detail later, AT&T's statement is not accurate, is incomplete, and therefore ignores Nebraska law.

Qwest's position is likewise inconsistent with the law as it would use *another* carrier's interstate access rate – namely Qwest's interstate access rate – as a rating proxy for non-Qwest carriers operating in Nebraska. The Commission may be prohibited from using Qwest's interstate access rates as the proxy for intrastate access costs for all LECs in Nebraska. Qwest's interstate switched access rates are likely to be lower than the interstate switched access costs of most of the LECs in the state. It is unlikely that Qwest's interstate switched access rates would allow other LECs in Nebraska to receive intrastate switched access revenues that exceed costs, as required by Nebraska statute. Qwest's proposal improperly foists an assumed cost structure associated with Qwest onto other companies irrespective of each company's individual circumstances, such as differences in population densities of areas served. Embarq agrees with the Rural Telecommunications Coalition of Nebraska's comment that decisions on intrastate access rates should be made on a carrier-by-carrier basis:

The Commission should also be mindful of the unique nature and cost considerations of rural carriers seeking changes to intrastate access rates and should avoid one-size-fits-all determinations for setting access rates, particularly as it relates to determinations that may affect both rural carriers and price cap carriers.¹¹

¹⁰ AT&T Initial Comments, page 5.

¹¹ See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of The Rural Telecommunications Coalition of Nebraska ("RTCN Initial Comments"), filed April 23, 2009, page 5.

Certainly, AT&T's and Verizon's respective positions to reduce intrastate switched access rates to parity with interstate rates are problematic. Similarly, Qwest's position to use its own interstate access rates as a proxy for intrastate switched access cost is erroneous and troubling, as addressed above. Equally as troubling is Sprint's stance of reducing intrastate switched access rates to its view of "incremental cost" and use of this concept as basis for pricing of intrastate switched access rates.

Identifying what is the true "increment" can be very contentious between so many parties. Moreover, as a result of using Sprint's self-described incremental costs for intrastate switched access rates, there would be a failure to recover the costs of providing switching and transport services. In addition, using incremental costs would fail to allow for recovery of the necessary common costs that a company must incur to ensure the quality delivery of the service. This causes at least one issue, namely it impairs the LEC's ability to continue investing in its network.

As Embarq stated in its initial comments in this proceeding, a forward-looking total cost of service study plus a contribution towards recovery of common costs is the proper basis for the pricing of intrastate switched access. Further, the actual level of intrastate rates is not simply a function of agreeing on a cost methodology and computing costs for a given carrier. While properly determined costs may serve as the price floor, the Commission may also determine that for sound public policy reasons such as supporting the continued provision and extension of universal service at

affordable rates, intrastate access rates can and should be set at a level above the price floor. And, as Frontier indicated in its initial comments, intrastate switched access rates should include a reasonable portion of intrastate joint and common costs, including loop costs.¹² However, regardless of how the cost to provide intrastate switched access is determined, the Commission is not seeking to review intrastate access rates as part of this proceeding. Therefore the Commission should pay no heed to the requests of AT&T, Verizon, Qwest and Sprint to reduce intrastate switched access rates.

B. The Parties Proposals are Inconsistent with Policies Underlying Access Reform

As noted earlier, AT&T claims that interstate rates are set above costs. This claim ignores federal policy. Embarq's parent company has incumbent local exchange carrier ("ILEC") operations in 18 states and establishes system-wide interstate switched access rates.¹³ Because Embarq's Nebraska operations are comprised of mostly high-cost, low-density rural areas, and some of its parent company's operating territory in other states includes lower-cost, higher-density population areas, the cost of providing interstate switched access in Nebraska is very likely higher than the system-wide average traffic

¹² See *In the Matter of the Nebraska Public Service Commission, on its own motion, to conduct an investigation on intrastate switched access charge policies and regulation codified in Neb. Rev. Stat. Section 86-140*, Application No. C-4145/NUSF-74/PI-147, Comments of Citizens Telecommunications Company of Nebraska ("Frontier Initial Comments"), filed April 23, 2009, pages 1-2.

¹³ Embarq's parent company elected into the CALLS plan at the holding company level. As discussed more fully below, price cap carriers that elected to participate in the FCC access reform program referred to as CALLS, were required to adopt the plan for all of its interstate tariff entities at the same Average Traffic Sensitive ("ATS") rate. The plan included three rate levels and Embarq's predecessor Sprint fell into the middle tier requiring an ATS rate of \$.0065. The ATS rate is essentially a demand weighted average of interstate local switching and transport rates.

sensitive (“ATS”) target rate required by the FCC’s price cap rules for Embarq in Nebraska. The same may be true of other Nebraska price cap carriers that operate in multiple states.

Moreover, it is woefully incorrect for AT&T and others to claim that “interstate access rates” are already priced above cost. Under the FCC’s federal interstate access, or CALLS, reform plan, interstate switched access rates were not based on cost. Rather, the “interstate rate” referred to by AT&T and others was only one component of an overall restructuring plan undertaken by the FCC through the CALLS plan. In the CALLS, reform plan, the FCC did not just reduce interstate access rates, but restructured interstate access rates by moving recovery of carrier common line (“CCL”) loop costs and non-traffic sensitive costs from a minute-of-use basis out of switching to increased subscriber line charges (“SLCs”) with shortfalls to be recovered through the Interstate Access Support (“IAS”) fund. Once the rates were shifted, the remaining local switching and transport rates were reduced annually by a productivity factor until the carrier reached a certain average traffic sensitive (“ATS”) rate (which is \$0.0065 for Embarq system-wide). Thus, the final interstate switched access rates in the CALLS reform plan were not based on costs or any specific cost study. AT&T’s claims that “interstate access rates” are already priced above cost are erroneous.¹⁴ It is wrong to suggest that only one aspect (i.e. the resultant interstate rate) of the interstate rate

¹⁴ AT&T Initial Comments, page 5.

regime is “priced above cost,” because those interstate rates are only one piece of the recovery and reform undertaken by the FCC to arrive at current interstate access rates.

In addition, as addressed briefly above, setting intrastate access rates to parity with interstate rates fails to account for the federal SLC and federal universal service fund support received, both of which contribute to the recovery of the cost of providing interstate switched access service by LECs. The SLC is charged to end users and is designed to allow for the recovery of at least a portion of interstate loop costs. The federal IAS support was created as a component of the overall interstate access reform accomplished pursuant to the CALLS Order. IAS replaced the revenues lost when the per minute CCL rate was eliminated and a portion of local switching and other costs were moved to flat rate recovery that could not be recovered from increased SLCs. The simplistic assumption that interstate rates equal or exceed costs by isolating one element of the reform plan, while simultaneously ignoring the SLC, IAS and other federal universal service fund support mechanisms that contribute to the recovery of costs of providing interstate switched access service would significantly under represent the true cost of providing access services. Thus, it would be woefully incomplete to develop a singular uniform statewide intrastate switched access rate based only upon an interstate switched access rate “as a proxy for cost” – as Qwest has suggested – given the comprehensive CALLS reform measures.

III. VERIZON’S CRITICISM OF THE AMOUNT OF SUPPORT THAT NEBRASKA ILECS RECEIVE IS UNFOUNDED

Verizon makes the unsupported claim that “removing implicit subsidies and reducing access rates is appropriate in light of the tremendous financial support that is available to carriers that operate in rural areas.”¹⁵ It states erroneously that rural LECs in Nebraska receive “massive” support from the federal universal service programs.¹⁶ Verizon asserts that all eligible telecommunications carriers (“ETCs”) in Nebraska will receive more than \$111 million in federal universal service support in 2009.¹⁷ What Verizon neglects to mention, however, is that of the \$111 million in federal universal service support that will go to Nebraska ETCs in 2009, almost \$58 million, or *more than half* will go to competitive carriers, including wireless carriers, with almost \$43 million going to Alltel Communications of Nebraska, Inc.,¹⁸ a wireless carrier recently acquired by Verizon Wireless, an affiliated company of Verizon.¹⁹ In addition, Verizon complains about the Local Switching Support for Rural LECs, stating that this interstate support was intended to help cover the costs of providing intrastate service.²⁰ However, the Local Switching Support that Nebraska LECs will receive in 2009

¹⁵ Verizon Initial Comments, pages 6-7.

¹⁶ *See Id.*

¹⁷ *Id.*, page 7.

¹⁸ *See* <http://www.usac.org/about/governance/fcc-filings/2009/quarter-2.aspx> High Cost Support with Capped CETC Support Projected by State by Study Area, Appendix HC01, 2Q2009. Verizon Wireless, as a condition of its merger with ALLTEL Corporation, has agreed to phase out its federal universal service fund support over five years (.*See* In the Matter of Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and *De Facto* Transfer Leasing Arrangements and Petition for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act, WT Docket No. 08-95, Memorandum Opinion and Order and Declaratory Ruling, Issued November 10, 2008. para. 196-197.

¹⁹ *See* Verizon press release at <http://investor.verizon.com/news/view.aspx?NewsID=957>

²⁰ Verizon Initial Comments, page 7.

amounts to only \$6.6 million, again slightly more than half of which will go to competitive providers (and more than \$2.5 million will go to Alltel Communications of Nebraska, Inc.).²¹

It is disingenuous for Verizon to criticize the amount of federal support ETCs in Nebraska receive when one of its affiliates is by far the largest recipient of that same support. ILECs are not receiving the “massive” support to which Verizon alludes. Moreover, the federal and state support that ILECs do receive, in conjunction with basic local service rates, is not nearly enough to recover the cost of providing service to high-cost rural areas in Nebraska. And the Commission’s current NUSF procedures ensure that any FUSF received is recognized and NUSF support reduced accordingly. As Frontier observed in its initial comments, local exchange rates and support from the NUSF are not enough to cover the entire cost of the network in a state such as Nebraska and a reasonable portion of joint and common costs should be included in intrastate switched access rates.²²

²¹ See <http://www.usac.org/about/governance/fcc-filings/2009/quarter-2.aspx> High Cost Support with Capped CETC Support Projected by State by Study Area, Appendix HC01, 2Q2009.

²² Frontier Initial Comments, page 4. In addition, the NTA stated in its initial comments at page 4 that “[a]ccess charges are a necessary component of recovery of a company’s costs.”

IV. EMBARQ URGES THE COMMISSION TO NOT TAKE ACTION ON PARTIES' CLAIMS TO REDUCE INTRASTATE ACCESS CHARGES

Should the Commission determine that a reduction in intrastate switched access rates is warranted (and to reiterate, this is not a result with which Embarq agrees at this time and the Company again notes that it is not the subject of this proceeding), it is imperative that LECs be allowed to fully recover all lost access revenues through increased support from the NUSF. Requiring LECs to reduce intrastate access rates without revenue neutral increases in NUSF support may prevent them from receiving all the revenue needed to continue maintaining and investing in their networks. The end result will be reduced quality of service for customers and an inability to maintain and expand a technologically advanced network capable of providing quality service to all and enabling the expansion of the footprint of broadband offerings within the state. Current NUSF support is insufficient to allow ILECs to recover the full cost of providing basic local service, let alone expand the existing network, including the reach of the advanced services further into the rural areas of the state and providing for increased speeds in areas where broadband is already available. Broadband service is vital to the economy of the state, but expansion of broadband service in rural areas will not happen absent sufficient support.²³

²³ NTA, in its initial comments, supports the "continuation and evolution of the Nebraska Universal Service fund ("NUSF") into a fund specifically including advanced services such as broadband access to

Some parties in this proceeding assert that LECs can recover any revenues lost from intrastate switched access rate reductions from end users and that additional NUSF support is not needed.²⁴ Embarq disagrees. As Embarq stated in its initial comments, Nebraska consumers are already paying rates at the high end of the national affordability benchmark. Consumers living in rural, high-cost areas of the state simply cannot be expected to pay the full cost of providing basic phone service, which may exceed \$100 monthly. Even with existing levels of state and federal universal service fund support, the cost of basic service in these rural areas remains beyond the reach of most consumers. The implicit subsidies that currently exist in intrastate switched access rates are critical to maintain affordable local service and to the continued goal of universal service.

Verizon states that “[t]here is no reason to assume the rural LECs need more in universal service payments, let alone subsidies from their intrastate access rates, to support traditional local landline service” given the current high penetration rates for wireline telephone service.²⁵ What Verizon fails to understand is that those high penetration rates are the direct result of the current universal service support and intrastate access subsidies, which work together to help keep local exchange rates affordable. Without universal service support and the subsidies currently found in the

the Internet as a ‘supported service.’” Page 4. In addition, the Rural Telecommunications Coalition of Nebraska states that “the Commission should continue to explore...the addition of broadband services as supported services.” RTCN Initial Comments, page 8.

²⁴ Verizon Initial Comments, page 7 and Sprint Nextel Initial Comments, page 3.

²⁵ Verizon Initial Comments, page 7.

intrastate switched access rates, the rates for local service would skyrocket. Many consumers would be unable to afford basic local phone service and would be forced to disconnect their wireline service, which is the antithesis of the goals of universal service.

Verizon also claims that “absent additional evidence, there is no reason to assume end users’ local rates will rise if access rates are reduced.”²⁶ Verizon is once again incorrect. As Embarq noted above, local rates indeed will likely increase in many areas of the state if intrastate switched access rates are reduced without corresponding increases in NUSF support. ILECs are carriers of last resort (“COLRs”) and as such are required to provide service to any customer within its service territory that requests it, regardless of the cost incurred to provide that service. If ILECs are required to continue with this universal service obligation, that obligation must be fully funded, either through explicit support from state and federal universal service funds and/or through implicit subsidies provided through intrastate switched access rates. Lack of funding will cause an upward pressure on local rates and increase the risk that LECs may not be able to meet their universal service and COLR obligations or to continue to provide high-quality service in rural high-cost areas of Nebraska. If funding for the universal service and COLR obligations is not provided through explicit or implicit support, the obligation should be removed.

²⁶ *Id.*, page 8.

Competition will play a role in keeping local exchange rates down in some areas, but that competition will inhibit LECs serving high-cost areas of Nebraska from both recovering all costs of providing service and pricing retail rates at competitive levels. As Embarq noted in its initial comments, competitive local exchange carriers (“CLECs”) choose to offer service only in the low-cost, high-density areas of the state, leaving ILECs, as the COLR, with the obligation to provide service in the high-cost rural areas. Therefore, the presence of competition may limit rate increases for basic local exchange services for some, but not all customers. Those consumers in high cost rural areas where there is little or no competition, and having lost the subsidies from both intrastate switched access rates and basic local exchange rates in low-cost areas that help keep basic local rates in high-cost areas affordable, will end up paying significantly more for service. In high-cost rural areas of Nebraska, it is simply not possible to “competitively” price basic local service at a level that is affordable to the customer and allows the ILEC to recover its costs. Competition actually *increases* the need for subsidies.

V. MINIMUM EVIDENTIARY CRITERIA SHOULD NOT BE MANDATED FOR ANY INCREASES SOUGHT TO INTRASTATE ACCESS RATES

Embarq also recommends that the Commission not mandate minimum documentation that carriers must produce should they voluntarily seek an increase in intrastate switched access rates; rather Embarq encourages the Commission to allow carriers to work with Commission Staff to determine the documentation needed to

support the just and reasonableness of the requested rates for that particular situation.

A carrier's option to increase switched access rates should be maintained. Embarq reiterates its position from its initial comments that the Commission should not create a list of required documentation when the Commission is presented a situation in which a carrier, based on its unique needs, files to increase switched access rates. Carriers seeking to voluntarily increase access rates should produce documents and sufficient evidence demonstrating that the proposed increases in switched access rates are just and reasonable. Rather than dictate the documentation that would be required in all situations, documentation that the Commission may or may not find to be useful, carriers should be allowed to work with Commission Staff to determine the additional documentation that should be provided to support the just and reasonableness of the proposed rates.

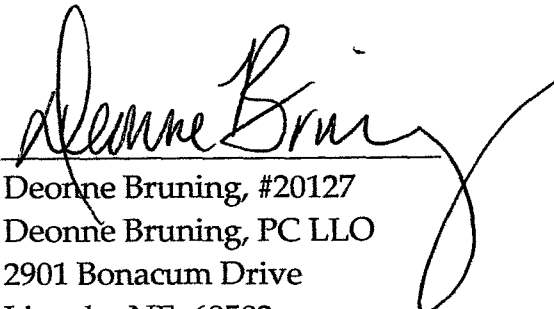
Embarq urges the Commission to require, at a minimum, two measures: 1) To the extent the Commission determines a list of minimum required information, the list should not preclude parties from introducing additional information that is just, reasonable and relevant to their circumstances; and 2) The Commission should permit LECs voluntarily requesting an access rate increase to work with Commission Staff to determine what additional documents should be provided to support the justness and reasonableness of the proposed rates for that particular situation.

VI. CONCLUSION

As Embarq stated in its initial comments, now is not the time to make major changes in intrastate switched access charge policies. The FCC is likely to undertake a review of intercarrier compensation issues as well as universal service in the very near future. Any changes the Commission takes before the FCC has a chance to act may put the Nebraska consumer in the position of being harmed. To mitigate these harms, Embarq suggests that the Commission wait until the FCC has acted before making any changes to its intrastate access charge policies. Embarq encourages the Commission to reject the requests of some parties to reduce intrastate access rates. As Embarq has shown, making reductions to intrastate switched access rates to the levels advocated by some parties may violate Nebraska statute and would most certainly require increases to basic local service rates and NUSF support. The proposals to reduce intrastate switched access rates are baldly made without any support for corresponding benefits to consumers – and as, Embarq has demonstrated, may potentially harm consumers. In addition, the Commission has already indicated that it does not wish to review intrastate access rates as part of this proceeding; therefore the Commission should disregard any attempts to include intrastate switched access rate reductions as part of this proceeding. Finally, Embarq urges the Commission not to adopt minimum evidentiary criteria that would apply to all carriers voluntarily requesting an increase in

intrastate switched access rates. Instead, Embarq suggests the Commission allow carriers making such a request to work with Commission Staff to determine the documentation that should be provided in each particular situation.

Respectfully submitted this 10th day of June 2009.

By: 
Deonne Bruning, #20127
Deonne Bruning, PC LLO
2901 Bonacum Drive
Lincoln, NE 68502
(402) 421-6405
(402) 421-6406 (fax)
deonnebruning@neb.rr.com

William E. Hendricks
United Telephone Company of the
West d/b/a Embarq
902 Wasco Street
Hood River, OR 97031
Phone (541) 387-9439
Fax (541) 387-9753
Tre.Hendricks@Embarq.com

Attorneys for United Telephone
Company of the West d/b/a Embarq

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 10, 2009 the foregoing Reply Comments of United Telephone Company of the West d/b/a Embarq in Docket C-4145 / NUSF-74 / PI-147 was hand-delivered to the Nebraska Public Service Commission at 1200 N Street, Suite 300, Lincoln, Nebraska and a copy of the same was mailed via U.S. Mail, First Class Postage-Prepaid to the following:

Troy S. Kirk
Rembolt Ludtke, LLP
1201 Lincoln Mall, Suite 102
Lincoln, NE 68508

Jill Vinjamuri-Gettman
Gettman & Mills, LLP
10250 Regency Circle, Suite 200
Omaha, NE 68114

Loel P. Brooks
Brooks, Pansing Brooks, PC, LLO
1248 O Street, Suite 984
Lincoln, NE 68508-1424

Timothy J. Goodwin
Qwest Corporation
1801 California, Suite 1000
Denver, CO 80202

Steve Meradith
Windstream Nebraska, Inc.
P.O. Box 81309
Lincoln, NE 68501-1309

Steven G. Seglin
Crosby Guenzel LLP
134 So. 13th Street, Suite 400
Lincoln, NE 68508

Jack L. Shultz
800 Lincoln Square
121 S. 13th Street
P.O. Box 82028
Lincoln, NE 68501-2028

Thomas F. Dixon
Assistant General Counsel NW Region
707 17th Street
40th Floor
Denver, CO 80202

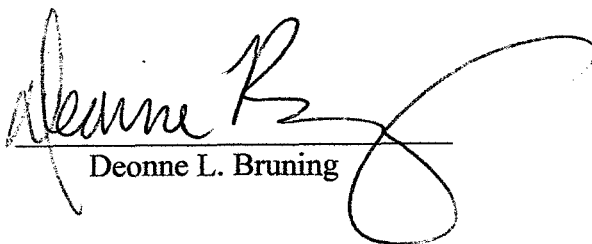
Kevin Saville
Frontier Communications
2378 Wilshire Blvd.
Mound, MN 55364

Melanie N. McIntyre
AT&T Legal
4300 Market Pointe Drive, Suite 350
Bloomington, MN 55435

Diane C. Browning
Counsel, State Regulatory Affairs
Mail Stop KSOPHN0212-2A411
6450 Sprint Parkway
Overland Park, KS 66251

Paul M. Schudel
James A. Overcash
Woods & Aitken LLP
301 S. 13th Street, Suite 500
Lincoln, NE 68508

William E. Hendricks
United Telephone Co. of the West
902 Wasco Street
Hood River, OR 97031


Deonne L. Bruning