

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Staff of the Illinois Commerce Commission, the	:	
Illinois Independent Telephone, Association	:	
Frontier Communications, Inc., the Illinois Cable	:	
Television and Communications Association	:	
	:	
	:	15-_____
	:	
Petition to Seeking Direction As To Administration	:	
of the Interim Illinois Universal Service Fund	:	
Established Pursuant to Section 13-301(1)(d) and	:	
for other relief.	:	

**PETITION SEEKING DIRECTION AS TO ADMINISTRATION OF THE
INTERIM ILLINOIS UNIVERSAL SERVICE FUND ESTABLISHED
PURSUANT TO SECTION 13 301(1)(D) AND FOR OTHER RELIEF**

Now Comes the Staff of the Illinois Commerce Commission, the Illinois Independent Telephone Association, the Illinois Cable Television and Communications Association, Frontier Companies¹ and (jointly, “Petitioners”), through the undersigned counsel, and to seek a direction from the Illinois Commerce Commission to the Illinois Small Company Exchange Carriers Association, Inc. to collect and use certain funds under the Illinois Universal Service Fund. In support of its Petition, the IITA states as follows:

1. By Order dated March 6, 2014, the Illinois Commerce Commission (the “Commission”) established an interim updated Illinois Universal Service Fund (“IUSF”) in the amount of \$18,984,628 plus administrative expenses (the “IUSF Order”). Docket Nos. 11-0210/11-0211 (consol).
2. The IUSF Order allocated the fund as specific amounts directed to specific companies identified in an appendix to that IUSF Order.

¹ Frontier North Inc.; Frontier Communications of the Carolinas LLC; Citizens Telecommunications Company of Illinois; Frontier Communications- Midland, Inc.; Frontier Communications- Prairie, Inc.; Frontier Communications- Schuyler, Inc.; Frontier Communications of DePue, Inc.; Frontier Communications of Illinois, Inc.; Frontier Communications of Lakeside, Inc.; Frontier Communications of Mt. Pulaski, Inc.; Frontier Communications of Orion, Inc.; and Frontier Communications of America, Inc.

3. Under the terms of the IUSF Order, the Illinois Small Company Exchange Carriers Association, Inc. (“ISCECA”) is the administrator of the interim updated IUSF. IUSF Order at p. 72.

4. The IUSF Order directed the recipients of the interim updated IUSF to initiate a petition with the Commission within two years (by March of 2015) to seek the establishment of a long term IUSF. By Order dated September 30, 2014, the Commission extended the time to initiate the next petition until July 31, 2016.

5. In support of the Commission’s direction, the Commission Staff convened a series of industry workshops to evaluate approaches to establishing a long term IUSF.

6. Section 13-301(1)(d) of the Illinois Public Utility Act requires a threshold determination of the “economic costs of providing services for which universal service support may be made available. . . .” Section 13-301(1)(d) also states that “Proxy cost, as determined by the Commission, may be used for this purpose.” The Commission has interpreted Section 13-301(1)(d) in prior dockets as calling for the use of a forward-looking economic cost model for the companies seeking universal service as a group. Second Interim Order dated September 18, 1991 in ICC Docket Nos. 00-0233/00-0335 (consol.) at p. 14, 17-18; IUSF Order at p. 72.

7. As part of this workshop process, the Illinois Independent Telephone Association identified the Connect America Model (“CAM”) -- which the FCC recently adopted for federal purposes -- as a widely used and understood forward-looking cost model. The CAM, however, is a proprietary model, owned by a company called CostQuest Associates, Inc. and subject to licensing restrictions, including a restriction that it be used only for federal cost modeling.

8. CostQuest recently created a companion cost model, called the CostQuest State Broadband Cost Model (“CQ-SBCM”), for use in state proceedings requiring cost modeling. The CQ-SBCM is subject to significant licensing restrictions.

9. In order for the entities participating in the workshop process to run the CQ-SBCM, view its outputs and test its impact, they will have to obtain a license from CostQuest. The entities would also need a license to run the cost model for the purpose of establishing the forward-looking economic costs of the group of requesting carriers in the docketed proceeding. CostQuest most recently quoted an annual license cost of \$30,000. (A copy of CostQuest’s price sheet is attached.)

10. Several parties to the workshop have suggested that Interim IUSF could and should be used to collect and to pay for the licensing costs.

11. Petitioners have consulted with the parties to the workshop and are authorized by them to represent to the Commission that they have no objection to the Petition. The workshop

participants have reached a consensus that the efforts of the workshop would be materially advanced if the participants had access to the CQ-SBCM.

12. The entities participating in the workshop either support or have no objection to this Petition.

13. The current Administrative Procedures establishing the administration of the IUSF and approved by the Commission do not address licensing fees. The Petitioners therefore believe ISCECA would need direction from the Commission to collect the licensing costs through the Interim Fund and pay for the licensing costs.

14. Petitioners intend to serve notice of this Petition on all parties to Docket Nos. 11-0210/11-0211 (consol) and on all active participants to the Staff-sponsored workshops.²

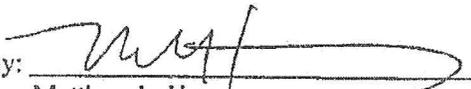
Wherefore, Petitioners are seeking from this Commission an Order, without the need for an evidentiary hearing, directing Staff to supervise (and, as necessary, limit) the licensing of the CQ-SBCM for the use of the workshop participants as directed by Staff of the Illinois Commerce Commission, and directing ISCECA to collect through the Interim Fund pay the license fee as may be quoted by CostQuest along with all associated expenses, and to include the cost of the license fee as a recoverable cost from the fund contributors.

Dated this __ day of March, 2015

² Certain parties to the workshop (including MCI Communications Services, Inc. d/b/a Verizon Business Services; MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services; TTI National, Inc.; Verizon Long Distance LLC; Verizon Select Services Inc.) were not parties to Docket No. 11-0210 and 11-0211 but have been actively participating throughout the workshop process and expect to participate in the ultimate docketed proceeding relating to a long-term IUSF.

STAFF OF THE ILLINOIS COMMERCE
COMMISSION

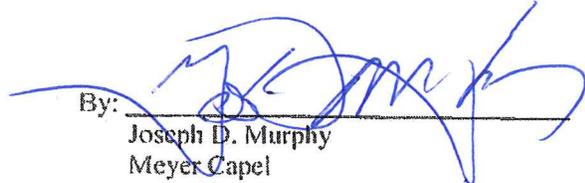
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ILLINOIS INDEPENDENT TELEPHONE
ASSOCIATION

CABLE TELEVISION AND
COMMUNICATIONS ASSOCIATION OF
ILLINOIS

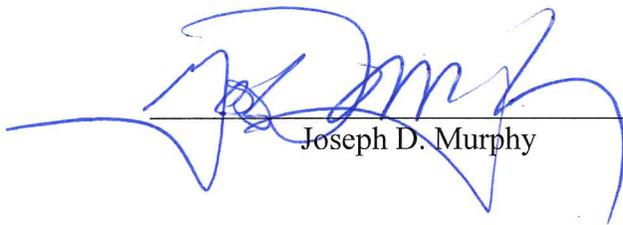
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STATE OF ILLINOIS)
)
COUNTY OF CHAMPAIGN) ss:.

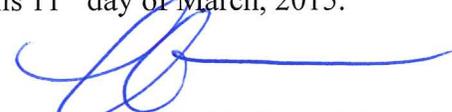
VERIFICATION

I, Joseph D. Murphy, on affirmation state that I am counsel for Illinois Independent Telephone Association, one of the Petitioners, that I am authorized to make this Verification, and that I have read the above and foregoing Petition and know the contents thereof and that the same are true and correct to the best of my knowledge, information and belief.



Joseph D. Murphy

Subscribed and affirmed to before me
this 11th day of March, 2015.



Notary Public



STATE OF ILLINOIS)
)
COUNTY OF COOK) ss:.

VERIFICATION

I, Michael W. Ward, on affirmation state that I am counsel for Cable Television and Communications Association of Illinois, one of the Petitioners, that I am authorized to make this Verification, and that I have read the above and foregoing Petition and know the contents thereof and that the same are true and correct to the best of my knowledge, information and belief.

Michael W. Ward

Michael W. Ward

Subscribed and affirmed to before me
this 11th day of March, 2015.

Amy L. Ward

Notary Public



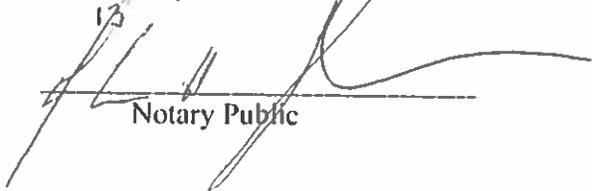
STATE OF ILLINOIS)
)
COUNTY OF COOK) ss.

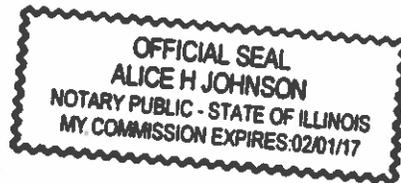
VERIFICATION

I, Matthew L. Harvey, on affirmation state that I am counsel for Staff of the Illinois Commerce Commission, one of the Petitioners, that I am authorized to make this Verification, and that I have read the above and foregoing Petition and know the contents thereof and that the same are true and correct to the best of my knowledge, information and belief.


Matthew L. Harvey

Subscribed and affirmed to before me
this 11th day of March, 2015.


Notary Public



STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

VERIFICATION

I, Kevin Saville, on affirmation state that I am counsel for Frontier Companies, one of the Petitioners, that I am authorized to make this Verification, and that I have read the above and foregoing Petition and know the contents thereof and that the same are true and correct to the best of my knowledge, information and belief.



Kevin Saville

Subscribed and affirmed to before me this 13 day of March, 2015.



Notary Public

