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April 23, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East Suite 350
St Paul Minnesota 55101-2147

RE: In the Matter of **Recommended Procedures for 2014 Access Rate Changes**
Docket No. P999/PR-14-15.

Dear Dr. Haar:

The Department filed its initial comments in the above referenced matter on March 12, 2014. In its comments the Department described, in some detail, the applicability of 47 C.F.R. §61.26 to the tariffing of competitive interstate switched exchange (CLEC) access services) in general and as it relates to the instant docket.

On April 2, 2014, the Department submitted supplemental comments revising, in part, its recommendation to reflect the Federal Communications Commission's (FCC) March 31, 2014 order clarifying the procedures for price cap and rate of return carriers' filings.

The Department did not revisit the requirements of 47 C.F.R §61.26 in its April 2 comments, but did not intend to imply that the applicable provisions 47 C.F.R §61.26 were no longer relevant to CLEC filings.

On April 17, 2014, CenturyLink filed supplemental comments, recommending that "the Commission affirmatively adopt the CLEC benchmarking practices established by the FCC," and stating, without citing any legal authority, that the "FCC's rules require that a CLEC set its access rates *no higher than the dominant ILEC in the state.*" (Emphasis added.)

CenturyLink's characterization of "FCC Rules" is inconsistent with 47 C.F.R. §61.26, and the Department is unaware of the "FCC rules" to which CenturyLink refers.

The Department wishes to clarify that the provisions of 47 C.F.R. §61.26 applicable to CLEC access filings in 2014 include the following:

- (c) The benchmark rate for a CLEC's switched exchange access services will be the rate charged for similar services by the competing ILEC. If an ILEC to which a CLEC benchmarks its rates, pursuant to this section, lowers the rate to which a CLEC benchmarks,

the CLEC must revise its rates to the lower level within 15 days of the effective date of the lowered ILEC rate.

(e) Rural exemption. Except as provided in paragraph (g) of this section, and notwithstanding paragraphs (b) through (d) of this section, a rural CLEC competing with a non-rural ILEC shall not file a tariff for its interstate exchange access services that prices those services above the rate prescribed in the NECA access tariff, assuming the highest rate band for local switching. In addition to that NECA rate, the rural CLEC may assess a presubscribed interexchange carrier charge if, and only to the extent that, the competing ILEC assesses this charge. Beginning July 1, 2013, all CLEC reciprocal compensation rates for intrastate switched exchange access services subject to this subpart also shall be no higher than that NECA rate.

The Department recommends that the Commission adopt the benchmarking practice, including the rural exemption, as set forth in 47 C.F.R. §61.26, and is available to answer any questions the Commission may have.

Sincerely,

BRUCE LINSCHIED
Financial Analyst

KATHERINE DOHERTY
Rates Analyst

BLL/KD/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Clarification Letter**

Docket No. P999/PR-14-15

Dated this **23rd** day of **April 2014**

/s/Sharon Ferguson

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