

NORTH CAROLINA
RURAL ELECTRIFICATION AUTHORITY
RALEIGH

DOCKET NUMBER TMC-5, SUB-2

BEFORE THE NORTH CAROLINA RURAL ELECTRIFICATION AUTHORITY

In the Matter of

Petition of Sprint Communications Company L.P.)	
For Arbitration of an Interconnection Agreement)	
With Star Telephone Membership Corporation)	FINAL DECISION
Pursuant to Sections 251(a), (b) and 252 of the)	
Communications Act of 1934, as Amended)	

BY THE NORTH CAROLINA RURAL ELECTRIFICATION AUTHORITY
(hereinafter "Authority")

PROCEDURAL HISTORY

On February 17, 2009, Sprint Communications Company L.P, ("Sprint") filed a Petition requesting the Authority to arbitrate an interconnection agreement with Star Telephone Membership Corporation ("Star").

Pursuant to the Authority's Resolution on Arbitration Policies for Telecommunications Interconnection Agreements adopted May 16, 2005 (hereinafter "Arbitration Policy"), the parties agreed to an arbitrator who issued his Confidential Recommended Decision on April 13, 2011. The parties filed a redacted version of the Arbitrator's Confidential Recommended Decision dated June 21, 2011.

Pursuant to the Arbitration Policy, the Authority, on June 24, 2011, requested objections to or comments on the recommended decision issued by the arbitrator to be filed by August 5, 2011.

On August 5, 2011, Sprint through its attorney notified the Authority that it did "not agree with certain finding and conclusions contained in the Redacted Recommended Decision. However, Sprint stands on its Briefs as to its positions, and has no comments on or objections to the Redacted Recommended Decision."

On August 10, 2011, Star TMC through its attorney sent the Authority a letter stating that Sprint had not filed objections or comments and requested the Authority adopt the decision of the Arbitrator.

On October 5, 2011, the Authority issued a Notice of Hearing for a hearing to be "held December 12, 2011, for the parties to present oral argument regarding any objections to or

comments on the Arbitrator's Confidential Recommended Decision."

On November 1, 2011, Sprint through its attorney notified the Authority that it "waives oral argument." Sprint incorporated by reference its August 5, 2011, letter concerning the Arbitrator's Recommended Decision.

On November 3, 2011, Star through its attorney notified the Authority that it "also waives oral argument."

Because the parties to this case have both waived oral comments, the Authority issued a Notice of Cancellation of the Hearing.

On January 31, 2012, the Authority requested supplemental briefs on the effect of the Federal Communications Commission's Declaratory Ruling issued May 26, 2011 in *CRC Communications of Maine, Inc. and Time Warner Cable Inc. for Preemption Pursuant to Section 253 of the Communications Act*, as Amended, 26 FCC Rcd 8259, FCC 11-83 (2011) ("Declaratory Ruling") on this arbitration.

On February 20, 2012, Sprint and Star both filed supplemental briefs.

DECISION

On March 26, 2012, the above-referenced docket came before the North Carolina Rural Electrification Authority (Authority) for consideration. Authority members in attendance were L. Calvin Duncan, Chairman, Joseph G. Justice, Vice-Chairman, and Edith C. Cox. Buddy G. Creed was not in attendance at this meeting and J. Ronnie Alderman recused himself from consideration of this matter. The remaining members of the Authority considered and discussed all filings of all parties before it regarding the above-captioned matter. Pursuant to those discussions, the Authority enters the following ORDER:

Pursuant to the Authority's Arbitration Policy, the Authority has the authority to accept the Recommended Decision, modify it, or reject it.

Based on the filings before the Authority along with the FCC Declaratory Ruling, the Authority rejects the Recommended Decision issued on April 13, 2011. The Authority finds that the Recommended Decision issued on April 13, 2011, was filed prior to the FCC Declaratory Ruling. The Authority finds that the FCC Declaratory Ruling holds that "a rural carrier's exemption under section 251(f)(1) offers an exemption only from the requirements of Section 251(c) and does not impact its obligations under section 251(a) and (b)." Declaratory Ruling paragraph 14. The Authority further finds the FCC Declaratory Ruling to be controlling regarding the issue of whether "Star's exemption under § 251(f)(1) applies to Sprint's request for § 251(a) interconnection and § 251(b) arrangements." Recommended Decision Finding 1, page 7.

Therefore, based on the FCC Declaratory Ruling, the Authority finds that the rural exemption of § 251(f)(1) does not apply to Sprint's request for section 251(a) interconnection

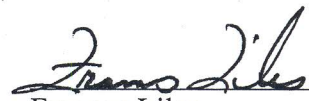
and negotiation of section 251(b) arrangements. As such, the parties should proceed to negotiation of an interconnection agreement or Phase II of the arbitration process if Sprint desires to proceed.

IT IS SO ORDERED.

ISSUED BY THE ORDER OF THE AUTHORITY.

This the 27th day of March, 2012.

The North Carolina Rural
Electrification Authority



Frances Liles
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing FINAL DECISION has been served on Sprint Communications Company L.P., Star Telephone Membership Corporation and the Arbitrator by serving their attorneys via electronic mail and by depositing it in the United States mail, postage prepaid, addressed as follows this the 27th day of March, 2012.

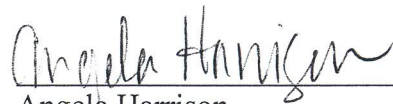
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This the 27th day of March, 2012.


Angela Harrison