Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	CC Docket No. 96-45
Federal-State Joint Board on	)	
Universal Service	)	
	)	
Comments of the Rural Task	)	
Force Recommendation	)	FCC 01-8

Comments of the Alaska Rural Coalition

The Alaska Rural Coalition respectfully submits these comments in response to the Commission's Further Notice of Proposed rulemaking (FNPRM) released on January 12, 2001 and published in the Federal Register on January 26, 2001. The purpose of the FNPRM is to obtain comment on the Recommended Decision of the Federal-State Joint Board on Universal Service with respect to a plan for reforming rural universal service support mechanisms. The Joint Board recommended that the Commission adopt the Rural Task Force's Recommendation.

The Alaska Rural Coalition is comprised of numerous rural Alaska local exchange carriers, and was created to address significant public policy issues arising under the Telecommunications Act of 1996. The companies are:

- Alaska Telephone Company
- Arctic Slope Telephone Association Cooperative, Inc.
- Bettles Telephone, Inc.
- Bristol Bay Telephone Cooperative, Inc.

- Bush-Tell, Inc.
- Copper Valley Telephone Cooperative, Inc.
- Cordova Telephone Cooperative, Inc.
- Interior Telephone Company, Inc.
- Ketchikan Public Utilities
- Matanuska Telephone Association
- Mukluk Telephone Company, Inc.
- North Country Telephone, Inc.
- Nushagak Telephone Cooperative, Inc.
- OTZ Telephone Cooperative, Inc.

These companies are all rural telephone companies under the Telecommunications Act of 1996. All provide service in rural areas. Many of the areas that these companies serve are accessible only by plane or by boat, and are extremely isolated. Rural Alaska's rugged terrain and formidable weather further contribute to the isolation of rural communities in Alaska. Many of these communities have populations as small as a few hundred people, and only the most rudimentary local economies. These factors, together with the vast distances of these communities to the continental United States, create significant social, education and economic barriers. Access to modern telecommunications services reduces these barriers, and is therefore, arguably, more vital to rural Alaska than nearly any other part of the country.

At the same time, sparsely populated rural Alaska communities render delivery of new and advanced services prohibitively expensive because the population base typically cannot support the cost of the service. And, many rural Alaskans have minimal incomes. As a result of these factors, universal service support is vital to the delivery of high

quality, affordable local exchange service in Alaska.

The Alaska Rural Coalition has strongly advocated that the Commission adopt the Rural Task Force's Recommendation. The Alaska Rural Coalition continues to strongly urge the Commission to adopt, without change, the Rural Task Force's Recommendation. As many commenters have noted in their comments to the Joint Board, including those of the Alaska Rural Coalition, the Rural Task Force's Recommendation is a delicately balanced package. The Rural Task Force's Recommendation is a product of years of negotiation and compromise by diverse parties with varying and opposing interests. Most of all, the product is interdependent. As such, it should be adopted as a whole and individual provisions should not be altered.

Of particular relevance to the issues set forth in the FNPRM for additional comment is whether the Rural Task Force's Recommendation supports stability of rural carriers and encourages investment in rural infrastructure. The Alaska Rural Coalition believes that it does through adopting a modified version of the current high-cost loop support mechanism under Part 36 of the Commission's rules over the next five years, utilizing carriers' embedded costs, and by continuing Long Term Support and Local Switching Support programs. Investment in rural areas is critically important to provide residents of rural areas access to the same services at comparable rates to those offered in urban areas. Rural companies need assurance that there will be a predictable and sufficient level of universal service support to generate that investment. The Alaska Rural Coalition believes that the Rural Task Force's Recommendation will provide the economic stability and regulatory certainty necessary to encourage investment in rural Alaska.

The Alaska Rural Coalition does, however, encourage the Commission to adopt the Rural Task Force's Recommendation quickly. Particularly where population bases are very small, as they are in rural Alaska, stability is undermined and rural infrastructure investment is discouraged when universal service support rules are undergoing change with no certainty in sight. As a result, the Alaska Rural Coalition encourages the Commission to not only adopt the Rural Task Force's Recommendation but to do so quickly in order to maximize stability and to advance universal service through infrastructure investment.

In this regard, the Alaska Rural Coalition does not believe the Commission should delay consideration of the Rural Task Force's Recommendation while other reforms are considered. Adoption of the Rural Task Force's Recommendation can take place immediately, while other reforms are worked out in a considered fashion.

Conclusion

The Alaska Rural Coalition strongly supports the Rural Task Force's Recommendation. While additional reforms will take place, they should be considered in an environment where stability and infrastructure development are promoted.

Dated this ___ day of February 2001.

DORSEY & WHITNEY LLP

By:_____

Heather H. Grahame
Dorsey & Whitney LLP
1031 W. 4th Avenue, Suite 600
Anchorage, Alaska 99501
(907) 257-7822

Attorneys for the Alaska Rural Coalition