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RONAN TELEPHONE COMPANY
312 MAIN STREET SOUTHWEST • RONAN, MONTANA 59864
(406) 676-2751 • FAX NO. (406) 676-8889

October 2, 2001

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Via Federal Express

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street SW
Washington D.C. 20554

RE: FCC CC Docket No. 00-256; and Dockets 96-45, 98-77, and 98-166.

Dear Ms. Roman Salas:

Enclosed please find eight (8) copies of a written ex parte letter to Mr. Richard Lerner, Deputy Chief, Competitive Pricing Division, Common Carrier Bureau, in the above referenced Dockets, filed on behalf of Ronan Telephone Company. Please stamp and return one copy to this office.

Thank you. Please contact my office if there are any questions regarding this filing.

Sincerely yours,

Jay Wilson Preston
President
Ronan Telephone Company

Enclosures

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October 1, 2001

Via Federal Express

Mr. Richard Lerner
Deputy Chief, Competitive Pricing Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street S.W., Room A221
Washington D.C. 20554

RE: FCC CC Docket No. 00-256; and Dockets 96-45, 98-77, and 98-166.

Dear Mr. Lerner:

This letter is being submitted by Ronan Telephone Company (RTC) as a written ex parte presentation in the above referenced Dockets. Seven copies of this letter are also being filed with the Secretary's office.

Ronan Telephone Company is a small, family-owned rural ILEC serving approximately 3000 customers on the Flathead Indian Reservation in Western Montana. RTC is extremely concerned about the possibility of premature action on the MAG plan by the FCC or on some altered version composed by the FCC staff after only ex parte communications with parties that the vast majority of affected rural carriers and their customers have no knowledge of.[1] The dramatic impacts such action could have on the customers of small rural wireline carriers must be fully understood by the Commission and the affected consumers prior to enactment. By this letter, Ronan Telephone is requesting that the FCC defer action on the MAG Plan or any revised version of the Plan, until further formal Notice and opportunity for additional analysis and comments by parties.

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[1] Although RTC is a member of two organizations of the MAG group (USTA and OPASTCO), the MAG group is not representing the views of RTC in this matter; which is probably also true of many other small rural ILECs in the country. Therefore, the FCC is mistaken if it assumes that the MAG groups represents all rural carriers.

The MAG Plan, in its original form, is an ill-conceived access reform plan that would drastically reduce rural LEC access charges and increase basic rural local rates, without any cost or policy justification, nor any off-setting rural benefits.[2] It would also dramatically and unnecessarily increase rural support subsidies. Subsequent to its original filing, alternative proposals and modifications have apparently been advocated by other parties in this proceeding, and by the MAG group itself. Due to the procedures used to present these alternative proposals to the Commission, including ex parte presentations, RTC is not fully informed of the content and nature of the proposed alternatives. However, based on the incomplete information available to RTC, all of the alternative proposals presented to the FCC and its staff, would in fact exacerbate and intensify the negative impacts on the customers of small rural wireline carriers. RTC therefore feels compelled to express our alarm at the possibility of premature Commission action in this proceeding, and request that additional notice, comment and analysis take place before any decisions are reached.

Rural carriers are a vital part of this country's information infrastructure; and the national policies pursued for urban areas are often inappropriate, or in fact harmful, if applied verbatim in rural areas. Affordable basic local telephone service, and the protection of universal service are critical in rural areas, and must take precedence in all policy implementation, as required by 47 U.S.C., Section 254(b)(1), (2), (3) and (5).

In particular, the proposed SLC increases would unnecessarily and dramatically increase the basic rates paid by rural customers. And strikingly, the information available to us indicates that there are no proposals whatsoever that would off-set these increases with any tangible benefits to rural customers. The proposed carrier access charge decreases are undoubtedly and unexplainably lower than many rural companies' costs of providing these services.[3] There are no policy, economic or practical rationales for any such dramatic decreases. It is also ill-advised and inefficient to replace the current cost compensatory mechanisms with an additional, huge and politically tenuous subsidy system (the proposed "RAS").

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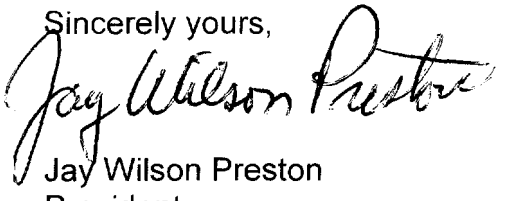
[2] RTC filed Reply Comments with the FCC in this matter, on March 12, 2001.

[3] Rates for telecommunications services should be above costs, See e.g. 47 U.S.C. 213, 224(d), and 252(d).

In sum, these new proposals, crafted by staff and via ex-parte process outside of the public view, and without the knowledge of many rural ILECs which are unrepresented in the MAG Plan process, will have devastating negative impacts on rural customers and carriers, increasing rural local rates with serious detriment to universal service goals; and eviscerating investment incentives to maintain and improve the wireline infrastructure, which is so vital to the rural economy of this nation. Further, in the interests of procedural fairness and due process of law, the proposed modifications should be noticed for public comment.

In light of the foregoing, and the potential for serious adverse impacts on rural America, Ronan Telephone Company respectfully requests that any action on the MAG Plan or any proposed alternatives or revisions to the MAG Plan, be deferred until a further Notice can be issued by the Commission, and until the alternative proposals can be fully and properly analyzed and addressed in detail by interested parties; or at a minimum a short additional comment cycle (as in the CALLS Docket).

Sincerely yours,



Jay Wilson Preston
President
Ronan Telephone Company

Enclosure (letter to Commission Secretary)

cc: Senator Conrad Burns
Senator Max Baucus
Representative Dennis Rehberg