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THE RONAN TELEPHONE CO. CONSUMER ADVISORY COMMITTEE

P.O. Box 61  
RONAN, MONTANA 59864

October 2, 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

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FCC MAIL ROOM

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

Dear Mr. Lerner:

This letter is being submitted as a written ex parte presentation in the above referenced Dockets, on behalf of the Ronan Telephone Consumer Advisory Committee (hereinafter, "Committee"). Seven copies of this letter are also being filed with the Secretary's office.

The Ronan Telephone Consumer Advisory Committee is a community-based organization with seven members, which periodically meets to consider telecommunications issues effecting the Ronan area, and advising the Ronan Telephone Company from the consumer's perspective. The Committee is extremely concerned about any action taken on the MAG plan by the FCC in the near future, and the dramatic impacts such action could have on rural consumers. Ronan and the surrounding area is located on the Flathead Indian Reservation in Western Montana, which is an economically depressed agricultural area containing a large percentage of low, middle and fixed-income families, which heavily rely on affordably priced local telephone service. Many Ronan area consumers simply could not afford the rate shock that would result from the proposed action by the FCC in this matter.

The MAG Plan, in its original form, would drastically increase rural basic local rates, and reduce carrier access charges, without cost or policy justification, with no off-setting consumer benefits.<sup>1</sup> It would also dramatically and unnecessarily increase rural support subsidies. Subsequent to its original filing, the Committee has learned that modifications have been advocated by other parties in this proceeding, and by the MAG group itself. Due to the procedures used to present these proposed modifications to the Commission, including ex parte presentations, the Committee has no reliable detailed information concerning their exact content. Based on the sketchy information available to the Committee, all of the alternative proposals presented to the FCC and its staff, would intensify the negative impacts on rural customers. The Committee therefore feels compelled to submit this letter to the Commission, and request that additional analysis take place before any decisions are made.

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<sup>1</sup> The Committee filed Reply Comments with the FCC in this matter, on or about March 12, 2001.

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Page 2

October 2, 2001

Rural consumers and agriculture are vital to this nation's economy, and the protection of universal service, namely, reasonably priced basic telephone service, is essential to our economic well-being and our opportunities for progress. This policy goal must take precedence in the Commission's deliberations in this matter.

In particular, the proposed SLC increases would unnecessarily and dramatically increase the basic rates paid by rural customers. Many low income individuals in our area would probably be forced to terminate their phone service at such rates. And strikingly, we are not aware of any proposals whatsoever that would off-set these increases with any tangible benefits to rural consumers. The proposed carrier access charge decreases are also unexplainably lower than many rural companies' costs, and consequently represent a subsidy to these carriers. There are no policy, economic or practical rationales for any such dramatic decreases, and they could lead to even further local rate increases. It is inefficient to replace the current cost compensatory mechanisms with an additional, huge and politically tenuous subsidy system.

In sum, it is the Committee's opinion that the MAG Plan (and the alternative proposals put forth) would have dramatic adverse impacts on rural consumers on the Flathead Indian Reservation, by increasing rural local rates with serious damage to universal service goals; and eviscerating investment incentives by our local telephone company.

In light of the foregoing, and the potential for serious adverse impacts on rural America, the Ronan Telephone Consumer Advisory Committee 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 alternative proposals can be fully and properly analyzed and addressed, or at a minimum a short additional comment period.

Sincerely yours,



Corwin (Corky) Clairmont  
Chairman  
Ronan Telephone Consumer Advisory Committee

Enclosure (letter to Commission Secretary)

cc: Senator Conrad Burns  
Senator Max Baucus  
Representative Dennis Rehberg