

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
RCC Minnesota, Inc. and RCC Atlantic, Inc.)	DA 04-1445
(NH))	
)	
Manchester-Nashua Cellular Telephone, L.P.,)	
NH #1 Rural Cellular, Inc., USCOC of New)	
Hampshire RSA #2, Inc. (NH))	
)	
USCOC of Virginia RSA #3, Inc., USCOC of)	
Virginia RSA #2, Inc., Virginia RSA #4, Inc.,)	
Virginia RSA #7, Inc., Ohio State Cellular)	
Telephone Company, Inc., and Charlottesville)	
Cellular Partnership (VA))	
)	
Dobson Cellular Systems, Inc. and American)	
Cellular Corporation (NY))	
)	
Dobson Cellular Systems, Inc. and American)	
Cellular Corporation (NY))	
)	
AT&T Wireless Services, Inc. (FL))	
)	
Petitions for Eligible Telecommunications)	
Carrier Designations)	

**REPLY COMMENTS
of the
ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT
OF SMALL TELECOMMUNICATIONS COMPANIES**

I. INTRODUCTION

The Organization for the Promotion and Advancement of Small
Telecommunications Companies (OPASTCO) hereby submits these reply comments in

the proceeding on the above-captioned petitions filed by certain wireless carriers seeking designation as eligible telecommunications carriers (ETC) in various states.¹ OPASTCO is a national trade association representing over 560 small incumbent local exchange carriers (ILECs) serving rural areas of the United States. Its members, which include both commercial companies and cooperatives, together serve over 3.5 million customers. All of OPASTCO's members are rural telephone companies as defined in 47 U.S.C. §153(37). In addition, they are all ETCs in their respective service areas.

II. COMMENTS

All six applications for ETC designation identified in the Commission's Public Notice should be stayed pending the resolution of the current proceeding that is considering changes to the rules relating to high-cost support in competitive study areas as well as the process for designating ETCs. On February 27, 2004, the Federal-State Joint Board on Universal Service issued a *Recommended Decision* concerning the FCC's rules regarding high-cost universal service support and the process for designating ETCs.² The Commission has recently issued a Notice of Proposed Rulemaking seeking comment on this *Recommended Decision*.³ It is quite possible that, as a result of this proceeding, there will be some changes in the way in which competitive ETCs are designated, and in the level of support that they receive.⁴

¹ *Parties Are Invited to Comment on Petitions for Eligible Telecommunications Carrier Designations*, CC Docket No. 96-45, Public Notice, DA 04-1445 (rel. May 21, 2004).

² *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Recommended Decision, 19 FCC Rcd 4257 (2004).

³ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Notice of Proposed Rulemaking, FCC 04-127 (rel. June 8, 2004).

⁴ *See*, Citizens Telecommunications Company of New York (Citizens) Comments in CC Docket No. 96-45 (filed June 21, 2004), p. 13.

In comments filed on the various ETC petitions, numerous parties have recommended that until the issues being considered in the portability proceeding are resolved, the Commission should stay the approval of additional ETC applications.⁵ OPASTCO agrees with these commenters that the public interest would be best served by preventing the USF from growing out of control at the same time that key policies related to universal service support levels and ETC designations are currently under review.⁶ Thus, a stay on the review of pending ETC applications until these portability issues are resolved would be a prudent way to address the rapid growth of the fund in the interim.⁷

⁵ See, Citizens Comments, pp. 13-14; Comments of the New Hampshire Rural Carrier Group (NH LECs) in CC Docket No. 96-45 (filed June 21, 2004), pp. 3-4; Comments of New York State Telecommunications Association, Inc. in CC Docket No. 96-45 (filed June 21, 2004), pp. 12-13; Comments of NTELOS Telephone Companies in CC Docket No. 96-45 (filed June 21, 2004), p. 3; Comments of TDS Telecommunications Corp. (TDS) in CC Docket No. 96-45 (filed June 21, 2004), pp. 2-7; Comments of Verizon in CC Docket No. 96-45 (filed June 21, 2004), pp. 2, 6-7. (The NH LECs filed identical comments for both of the ETC applications filed in their state. Similarly, TDS filed identical comments in response to each of the ETC applications for the states of Florida, New Hampshire, and Virginia.)

⁶ In its white paper *Universal Service in Rural America: A Congressional Mandate at Risk*, OPASTCO estimated that if all CMRS providers nationwide were to apply for and receive ETC status, the annual funding level of the High-Cost program would increase by approximately \$2 billion. This would seriously compromise the continued ability of the High-Cost program to ensure the provision of affordable and “reasonably comparable” services and rates to consumers in the most remote regions of the nation. See, Stuart Polikoff, *Universal Service in Rural America: A Congressional Mandate at Risk*, OPASTCO, (January 2003), p. 21.

⁷ There is a related precedent for staying the approval of additional ETC applications. In order to moderate the fund’s growth during its pending Part 36 USF rulemaking proceeding, the Commission imposed an interim cap on USF support for local exchange carriers from January 1, 1994 until January 1, 1996. See, *Amendment of Part 36 of the Commission’s Rules and Establishment of a Joint Board*, CC Docket No. 80-286, Report and Order, 9 FCC Rcd 303 (1993), Erratum (1993). After an initial extension, the interim cap was further extended until May 8, 1997, so as to facilitate the transition to the new universal service rules that were adopted at that time. See, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 11 FCC Rcd 7920 (1996).

III. CONCLUSION

For the foregoing reasons, all six applications for ETC designation identified in the Commission's Public Notice should be stayed pending the resolution of the current proceeding that is considering changes to the calculation of high-cost support for competitive ETCs and the development of policy guidelines for the review of ETC applications.

Respectfully submitted,

**THE ORGANIZATION FOR THE
PROMOTION AND ADVANCEMENT OF
SMALL TELECOMMUNICATIONS COMPANIES**

By: /s/ Stuart Polikoff
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July 6, 2004

CERTIFICATE OF SERVICE

I, Jeffrey W. Smith, hereby certify that a copy of the comments by the Organization for the Promotion and Advancement of Small Telecommunications Companies was sent by first class United States mail, postage prepaid, on this, the 6th day of July, 2004, to those listed on the attached list.

By: /s/ Jeffrey W. Smith
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DA 04-1445**

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