

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
South Slope Cooperative Telephone)
Company, Inc.'s Petition for Classification as) WC Docket No. 04-347
an Incumbent Local Exchange Carrier in the)
Iowa Exchanges of Oxford, Tiffin and Solon)

**NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
REPLY COMMENTS**

NATIONAL TELECOMMUNICATIONS
COOPERATIVE ASSOCIATION

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October 19, 2004

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REPLY COMMENTS**

The National Telecommunications Cooperative Association (NTCA)¹ hereby files its reply comments in response to the Federal Communications Commission's (Commission's or FCC's) request for comments on South Slope Cooperative Telephone Company, Inc.'s (South Slope's) petition for an FCC order declaring South Slope an incumbent local exchange carrier (ILEC) in the Iowa exchanges of Oxford, Tiffin, and Solon.²

South Slope appears to have met the three-part test in Section 251(h)(2) of the Act in order for the Commission to declare South Slope and ILEC in the Iowa exchanges of Oxford, Tiffin and Solon. First, South Slope occupies a "position in the market for telephone exchange service within an area that is comparable" to the position occupied by the existing incumbent Iowa Telecom's exchanges in Oxford, Tiffin and Solon. South Slope currently

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents 560 rural rate-of-return regulated incumbent local exchange carriers (ILECs). All of its members are full service local exchange carriers, and many members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² See FCC Public Notice, Pleading Cycle Established for Comments on Petition for Order Declaring South Slope an Incumbent Local Exchange Carrier in the Iowa Exchanges of Oxford, Tiffin, and Solon, WC Docket

provides service to more than 80 percent of the customers in each of these exchanges.³

Second, South Slope has “substantially replaced” the service provided by the incumbent, Iowa Telecom. In Oxford, South Slope estimates that it has acquired approximately 86 percent of the estimated 817 customers in that community.⁴ In Tiffin, South Slope estimates that it has acquired approximately 85 percent of the estimated 1,310 customers in that exchange.⁵ In Solon, South Slope estimates that it has acquired approximately 82 percent of the 1,902 customers in that exchange.⁶

Third, South Slope’s replacement of Iowa Telecom as the ILEC in these three exchanges appears consistent with the public interest, convenience and necessity, and consistent with the purposes of Section 251. Consumers in the exchanges of Oxford, Tiffin and Solon have benefited greatly from improved services, competitive prices, and responsive customer service provided by South Slope. South Slope currently offers ubiquitous broadband services throughout these three communities.⁷ Iowa Telecom does not. South Slope provides lower local calling rates and provides EAS calling to and from Cedar Rapids and Iowa City from these three communities.⁸ Iowa Telecom does not. And all of South Slope’s service staff for these three exchanges are local residents.⁹ During working hours these employees are required to respond to a trouble report and be at the customer premises,

No. 04-347, DA 04-2871 (rel. September 3, 2004) (Public Notice).

³ South Slope Telephone Cooperative, Inc. Petition for Classification as an ILEC in the Iowa Exchanges of Oxford, Tiffin, and Solon, p. 3, WC Docket No. 04-347, DA 04-2871 (filed August 24, 2004). (South Slope Petition).

⁴ *Id.*, p. 3.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*, p. 6.

⁸ *Id.*

⁹ *Id.*

if necessary, within two hours from the time the report was received.¹⁰

Based on the quality of South Slope's services, its reduced prices and responsive customer service, coupled with the overwhelming migration of consumers switching service from Iowa Telecom to South Slope, it appears that South Slope's reclassification as an ILEC in these exchanges would be consistent with the public interest, convenience and necessity. Consumers have benefited significantly from South Slope's services and South Slope has effectively replaced Iowa Telecom as the dominant carrier providing service throughout these three Iowa communities. Consumers in these rural communities are clearly better off today with South Slope as their primary communications provider.

Iowa Telecom suggests that Slope Slope's desire to become the ILEC in these exchanges is motivated by the potential for increased universal service support.¹¹ Regardless of the motivation, the apparent lack of quality communications services in these rural exchanges prior to South Slope's entry may indeed justify increased universal service support in these rural communities.

The intended purpose of universal service is to allow all Americans access to affordable and comparable telecommunications services.¹² Specifically, Section 254(b)(1) states that quality services should be available at just, reasonable, and affordable rates. Section 254(b)(2) states that access to advanced telecommunications and information services should be provided in all regions of the Nation. And, Section 254(b)(3) states that consumers in rural and high-cost areas should have access to telecommunications services

¹⁰ *Id.*

¹¹ Iowa Telecom Comments, p. 9.

¹² 47 U.S.C. §§ 151 and 254.

that are priced comparably and that are reasonably comparable to similar services available to consumers in urban areas. Congress expressly stated that the Commission should base universal service policies on the principles contained in Section 254(b).¹³ Thus, the Commission is directed to adopt policies that ensure all consumers the availability of “quality services,” and rural consumers access to telecommunications services that are priced reasonably comparable to those services in urban areas.¹⁴

Once South Slope began to provide new services in 2001, more than 80 percent of the customers living in these exchanges decided to switch service to South Slope. Given this remarkable migration, it is very likely that that consumers living in Oxford, Tiffin, and Solon neither received quality services, advanced services nor comparable services prior to South Slope’s arrival. Additional universal service support therefore may be necessary in order to ensure rural consumers in these three Iowa exchanges continue to receive universal service as intended and required by Section 254 of the Act.

South Slope recognizes that the Commission may, by rule, declare a carrier an ILEC, and that the Commission is currently circulating a Notice of Proposed Rulemaking (NPRM) on Mid-River’s request for reclassification as an ILEC.¹⁵ South Slope has asked the Commission to include its reclassification request in that draft NPRM, if such can be accomplished without delaying the processing of the NPRM. Alternatively, if such is not possible, South Slope requests the speedy issuance of an NPRM to deal with its instant petition.¹⁶ NTCA agrees that timely issuance of an NPRM concerning South Slope’s petition

¹³ 47 U.S.C. § 254(b)

¹⁴ 47 U.S.C. §§ 254(b)(1) and (3)

¹⁵ South Slope Petition, p. 8.

¹⁶ *Id.*

will assist in framing the issues and establishing explicit thresholds that carriers will need to meet for reclassification as an ILEC. Establishing thresholds and guidelines concerning petitions for ILEC reclassification will assist carriers in determining whether and when to seek reclassification and assist the Commission in processing and ruling on future reclassification requests. NTCA therefore urges the Commission to act quickly on South Slope's petition and provide clear standards for ILEC reclassifications under Section 251(h)(2) of the Act.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in WC Docket No. 04-347, DA 04-2871 was served on this 19th day of October 2004 by first-class, U.S. Mail, postage prepaid, to the following persons.

/s/ Gail Malloy

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