OPASTCO

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December 14, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Ex Parte Notice

RE: In the Matter of

Federal-State Joint Board on Universal Service
CC Docket No. 96-45

1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms
CC Docket No. 98-171

Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990
CC Docket No. 90-571

Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size
CC Docket No. 92-237
NSD File No. L-00-72

Number Resource Optimization
CC Docket No. 99-200

Telephone Number Portability

CC Docket No. 95-116

Truth-in-Billing and Billing Format
CC Docket No. 98-170

Appropriate Framework for Broadband Access to the Internet over Wireline Facilities; Universal Service Obligations of Broadband Providers
CC Docket No. 02-33

Developing a Unified Intercarrier Compensation Regime
CC Docket No. 01-92

Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming
MB Docket No. 05-255

Dear Ms. Dortch:

On December 13, 2005, representatives of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) met with Commissioner Jonathan Adelstein and Scott Bergmann, his legal advisor for wireline issues. Representing OPASTCO were Robert Williams of Oregon Farmers Mutual Telephone Company, Chad Miles of Enhanced Telecommunications Corporation, Roger Nishi of Waitsfield and Champlain Valley Telecom, Arturo Macias of Wheat State Telephone, Buddy Lovell of Ritter Communications, Greg Killpack of Emery Telecom, and John Rose and Stuart Polikoff of the OPASTCO staff.

We shared OPASTCO's views on the basis of high-cost universal service support in rural telephone company service areas. We stated that support for rural telephone companies should continue to be based on their embedded costs. In addition, support for competitive eligible telecommunications carriers in rural telephone company service areas should be based on their own costs, not the incumbent carrier's costs. We also stated our opposition to a system of block grants to the states for the distribution of federal high-cost support to rural telephone companies.

We shared OPASTCO's views on reforming the contribution methodology for the Universal Service Fund (USF). We stated that in order to ensure a sufficient and sustainable USF for the long term, the Commission should establish the broadest possible base of contributors. To accomplish this, the Commission should use its permissive authority to require all facilities-based broadband Internet access providers, over all platforms, to

contribute to the Fund. This should be done simultaneously with any other changes to the contribution methodology. If the goal of the Administration, Congress and the FCC is universal broadband deployment, then requiring equitable contributions from all facilities-based broadband Internet access providers, over all platforms, is essential.

We shared OPASTCO's views on the reform of the rules for intercarrier compensation. OPASTCO is a member of the Rural Alliance, which has been active in industry efforts to develop a compromise reform proposal. We stated that an access revenue replacement mechanism needs to be established that enables rural telephone companies to fully recover the revenue losses that result from lower intercarrier compensation rates. That mechanism should be separate from high-cost universal service support and not be portable.

Finally, we stated the importance of rural telephone companies having access to affordable video content, since bundling video with broadband increases broadband "take rates." The lack of affordable access to content is the largest barrier to entry into the video market for rural carriers. This is due, in part, to restrictive tying arrangements, which force rural carriers to purchase unwanted content in order to gain access to "flagship" channels. Rural video providers should have the flexibility to create channel "tiers" that reflect the demand of their local market.

In accordance with FCC rules, this notice is being filed electronically in the above-captioned dockets.

Sincerely,

Stuart Polikoff
Director of Government Relations
OPASTCO