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

In the Matter of	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337

COMMENTS OF THE INDEPENDENT TELEPHONE AND TELECOMMUNICATIONS ALLIANCE

The Independent Telephone and Telecommunications Alliance ("ITTA")[1] hereby offers the following Comments in the above-referenced proceeding with regard to the Petition for Forbearance and Petition for Waiver filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom ("Iowa Telecom") on May 8, 2006 ("Petitions").[2]

As carriers serving primarily rural areas, ITTA members are strongly committed to ensuring access by all American's to high-quality and affordable basic and advanced telecommunications services. Its members have a proven track record of investing in rural America and making the dream of universal service a reality. Much of this network investment, however, would not have been possible, or at least significantly delayed, without receipt of high-cost loop support.

As evidenced in its Petitions, Iowa Telecom has demonstrated its ability and willingness to invest in rural areas.[3] By historical accident, however, Iowa Telecom appears to be caught in

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[1] ITTA serves as the voice of the midsize local exchange companies in Washington. Its member companies serve over twelve million access lines and are cutting edge providers of a broad range of high quality wireline and wireless voice, data, Internet, and video telecommunications services throughout the U.S.

[2] *See* Iowa Telecom Services, Inc. Seeks Forbearance From Of Waiver Of The Commission's Universal Service Rules To Permit It To Be Eligible For Universal Service Support Under The High-Cost Mechanism For Non-Rural Carriers, Pleading Cycle Established, DA 06-1184 (rel. June 2, 2006)("*Notice*").

[3] *Iowa Telecom Petition for Forbearance Under 47 U.S.C. 160(c) from the Universal Service High-Cost Loop Support Mechanisms*, WC Docket No. 05-337, App. at 13-14 (filed May 8, 2006).

a trap in which its federal and state wholesale and retail pricing mechanisms and corresponding incentives do not align with the method by which rural carriers become eligible for high-cost loop support. Iowa Telecom's properties have been subject to federal and state price cap regulation since the institution of such regimes, which do not provide for recovery of incremental investment except in rare circumstances. At the same time, Iowa Telecom's rural status unfortunately prevents it from qualifying for high-cost loop support based on its going-forward costs, such as those estimated using Forward-Looking Economic Cost ("FLEC"), due to the historic low level of investment, compared to industry norms, by its predecessor in interest.

Given its unique situation, Iowa Telecom should not be penalized either for the low inherited book value of its assets or for the more generalized concerns about the application of FLEC to rural carriers. ITTA therefore urges the Commission to act immediately to resolve the inequities faced by Iowa Telecom by granting either of its Petitions.

Respectfully submitted,

THE INDEPENDENT TELEPHONE AND TELECOMMUNICATIONS ALLIANCE

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Dated: July 3, 2006

CERTIFICATE OF SERVICE

I hereby certify that, on this 3rd day of July 2006, I caused copies of the foregoing Comments in Federal Communications Commission WC Docket No. 05-337 in response to DA 06-1184 to be served on the following parties by electronic mail.

/s/ Lisa M. Zaina
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