August 22, 2006

VIA ELECTRONIC SUBMISSION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

RE: WC Docket No. 01-92, Developing a Unified Intercarrier Compensation Regime

Dear Ms. Dortch:

On behalf of The Missoula Plan Supporters, Paul Cooper of the Rural Alliance, Joel Lubin and Brian Benison of AT&T, Inc., Michael Donahue of Level 3 Communications and Mike Skrivan of Madison River Communications met with Tom Navin, Don Stockdale, Albert Lewis, and Amy Bender of the Wireline Competition Bureau on August 21st, 2006. Ken Pfister (Great Plains Communications, Inc.) of the Rural Alliance, David Hostetter and Phillip Bowie of AT&T, Inc., Bill Hunt of Level 3 Communications and Don Barbour and Pam Tipton of BellSouth participated via conference bridge. At the meeting we discussed the Missoula Plan for intercarrier compensation reform filed by the NARUC Task Force on Intercarrier Compensation on July 24th, 2006.[1] The attached presentations served as a basis for the meeting.

Please contact Brian Benison at 202-457-3065 of you have any questions.

Sincerely yours,

The Missoula Plan Supporters

/s/ Brian Benison (for the Missoula Plan Supporters)

Attachments

CC: Tom Navin
Don Stockdale
Albert Lewis
Amy Bender

[1] See July 24, 2006 letter from Tony Clark, Commissioner, North Dakota Public Service Commission, Chair, Committee on Telecommunications, Ray Baum, Commissioner, Oregon Public Utility Commission, Chair, Task Force on Intercarrier Compensation and Larry Landis, Commissioner, Indiana Utility Regulatory Commission, Vice-Chair, Task Force on Intercarrier Compensation to Kevin Martin, Chairman, Federal Communications Commission, CC Docket No. 01-92 *In the Matter of Developing a Unified Intercarrier Compensation Regime.*

July 25, 2006

INTRODUCTION TO THE MISSOULA PLAN

Overview. America stands at a critical point in the evolution of electronic communications. Once limited to a single narrowband wireline connection, more and more consumers today rely on broadband connections and mobile wireless networks for their telecommunications needs. This transition promises unparalleled consumer benefits and opportunities for economic growth. With this transition, however, comes a pressing regulatory responsibility: to reform yesterday's regulations, designed for the legacy narrowband world, to accommodate today's intermodal, competitive, and increasingly Internet-oriented communications environment. To that end, hundreds of industry participants with widely divergent interests have joined together to propose this consensus plan for intercarrier compensation reform.

As Attachment A illustrates, today's intercarrier compensation regime is a crazy-quilt of mutually inconsistent rules that result in radically divergent intercarrier rates for a given call depending on whether the call crosses state boundaries or what type of carrier originated the call. Left intact, these and other regulatory anachronisms will continue to impose enormous litigation costs and investment uncertainty, perpetuate arbitrage opportunities, and erode traditional sources of network cost recovery. Without reform, America's telecommunications providers could well be left without adequate resources to maintain their existing networks or extend new broadband networks to their customers, particularly those in rural areas.

The Missoula Plan comprehensively addresses these problems by rationalizing current regulatory distinctions, reducing the disparity in intercarrier charges, and shifting a portion of network cost recovery from intercarrier charges to a combination of (i) modestly higher subscriber line charges ("SLCs") and (ii) a new federally administered program called the Restructure Mechanism. The Plan will thereby create a far more efficient and stable means of covering today's network costs and will encourage investment in tomorrow's expansion of broadband availability to all Americans. Moreover, the Plan will achieve these goals while accommodating the unique needs of rural customers and the carriers that serve them.

What follows is a thumbnail sketch of the Plan's default rules.[1] The Plan phases in reform over four years or "steps," and calls for a Commission proceeding in the fourth year to consider whether additional reform is appropriate. For conciseness, this summary omits a number of Plan provisions and slightly simplifies others. For a complete delineation of the Plan's terms, readers should consult the Executive Summary and the Plan itself.

Carrier classifications. Because reform will affect different types of carriers in disparate ways, the Plan divides telecommunications carriers into three distinct categories, or "Tracks," and prescribes different rules and transition schedules for each. Track 1 carriers serve several hundreds of millions of customers in the United States. They include the major non-rural ILECs, including the four Bell companies, as well as all wireless, long distance, and competitive local exchange carriers. Tracks 2 and 3 consist exclusively of smaller, more rural ILECs. Track 2 includes most mid-sized ILECs and covers roughly 12.5 million lines, whereas Track 3 includes

[1] Carriers would remain free to address unique situations in individual negotiations.

the smallest rural ILECs subject to rate-of-return regulation and covers about 7.3 million lines. Under the Plan, Track 3 carriers can, and some may well, opt into Track 2 either because they have chosen interstate incentive regulation or in order to make use of favorable interconnection transport rules available for carriers in Track 2.

Intercarrier rate reductions. Over three years, carriers in Tracks 1 and 2 will steadily decrease their *terminating* access charges and unify them with reciprocal compensation charges. Thus, three years after the Plan's effective date, each Track 1 and 2 carrier will charge a single unified termination rate for all calls, whether interstate or intrastate, whether local or long-distance, and whether wireless or wireline. For *Track 1* carriers, that rate will be $0.0007 and will be further lowered to $0.0005 at the start of the fourth year following the Plan's effective date. That rate will cover all usage-sensitive functions performed by the terminating Track 1 carrier for traffic dropped off at the relevant "edge" of that carrier's network (usually a tandem switch, end office, or comparable switching facility). *Track 2* carriers will charge a unified rate of $0.0005 for terminating end-office switching and up to $0.0075 to $0.0105 for tandem switching and common transport, depending on (among other variables) whether the carrier is subject to price cap, incentive, or rate-of-return regulation.

The Plan also caps the *originating* access charges of Track 1 and 2 carriers. By the fourth year after the Plan's effective date, all Track 1 and 2 carriers will be limited to charging $0.0020 for originating end office switching; for originating tandem switching and common transport, Track 1 carriers may charge up to $0.0025, and Track 2 carriers may charge up to $0.0075 or $0.0105 for tandem switching and common transport, again depending on whether the Track 2 carrier is subject to price cap, incentive, or rate-of-return regulation. In defined circumstances, carriers will also have the opportunity to adopt lower (or no) originating access charges and make up the difference through the alternative revenue mechanisms discussed below.

Track 3 carriers will unify their intercarrier rates to the extent possible, consistent with the competing goal of minimizing the size of the Restructure Mechanism. To that end, Track 3 carriers will reduce intrastate switched access charges (both originating and terminating) over four years to the extent necessary to unify them with the level of their corresponding interstate access charges. In general, reciprocal compensation rates that exceed interstate access charges are reduced in the first year of the Plan to the level of those interstate access charges. .

Some of the rate reductions just discussed will be mandatory for the States, and some will be "voluntary" in the sense that each State may choose whether to impose them on carriers within that State. For Tracks 1 and 2, all rate reductions are mandatory except for reductions in *originating intrastate* access charges. In contrast, State adoption of the Plan's Track 3 rate levels for *all* intrastate access traffic (both originating and terminating) will be voluntary. The Plan will nonetheless establish incentives from the outset to encourage State participation in all aspects of the Plan, including, for example, a federal "Early Adopter Fund" to help States that participate in the Plan defray the costs of any explicit funds they have already set up to reduce access rates. Also, at defined points after adoption of the Plan, Track 1 and 2 carriers may ask the FCC to make these voluntary provisions mandatory.

Rebalancing revenue mechanisms. To ensure that carriers are not harmed as intercarrier compensation rates fall, the Plan provides carriers with the opportunity to recover their lost revenues from two main sources (subject to line loss, in the case of many carriers). First, the Plan provides for gradual increases in federal SLC caps over several years. Four years after the Plan's adoption, the highest monthly SLC any carrier may charge for a primary residential line will be $10.00 (as compared to $6.50 today), although carriers can, and some will, charge lower SLCs. Second, the Plan creates a new Restructure Mechanism to help carriers replace the revenues they will lose as a result of the Plan, but only to the extent they are not already recovered through reformed intercarrier charges and increased SLCs. The Plan supporters estimate that, at the end of the Plan's transitional period, the size of this Restructure Mechanism will be about $1.5 billion.

Phantom traffic. Adoption of the Plan's intercarrier compensation reforms should help to mitigate the problem of "phantom traffic" by reducing the economic significance of traditional regulatory distinctions among types of terminating traffic. Nonetheless, phantom traffic will remain a concern in the immediate future, especially in those cases where termination rates are not fully unified.[2] The Plan thus establishes call signaling rules designed to ensure that, with defined exceptions, all calls are properly identified and that such information is communicated to all providers carrying the call. The Plan also establishes a uniform process for creation and exchange of call records when traffic is exchanged through a transiting carrier.

Interconnection. The Plan will minimize disputes about interconnection by providing clear, comprehensive rules applicable to all carriers. The Plan provides that all carriers must offer to accept terminating traffic at specified network "edges" and prescribes each carrier's financial obligations regarding delivery of traffic to those edges.

Classification of traffic for compensation purposes. The Plan resolves many longstanding intercarrier compensation disputes by resolving the intercarrier compensation treatment of all types of traffic, including VoIP-to-PSTN, intraMTA wireless, and wireless roaming traffic. It does so by establishing a straightforward means of classifying traffic for intercarrier compensation purposes on the basis of the telephone numbers of the calling and called parties. These rules will apply before terminating rates are unified and will go into effect immediately upon the Plan's effective date.

* * *

Consumers will be the ultimate winners under the Missoula Plan. In the near term, the Plan's reductions in intercarrier charges will generate reductions in many end user rates. As a result, many consumers' overall bills will drop for the same level of service they use today. And

[2] Because phantom traffic is such an urgent problem today, the parties supporting the Plan have agreed on an interim phantom traffic solution that, upon adoption by the FCC, will remain in effect until the Commission has adopted the comprehensive reform called for in the Plan. That interim solution is a compromise and is contingent on those parties' continued support for the Plan as a whole. The parties also support a long term phantom traffic solution.

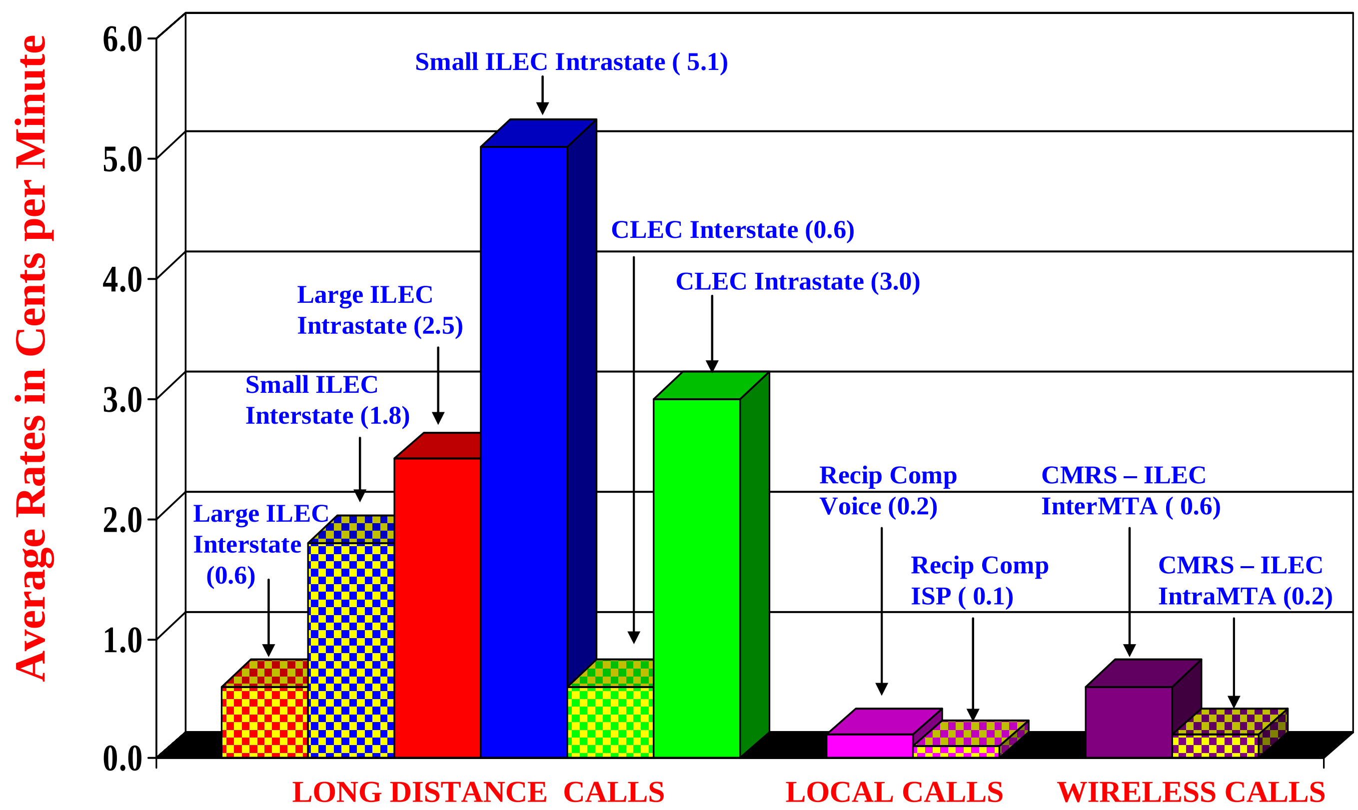
the rates of Lifeline customers—the most financially pressed users of the network—will decrease significantly.[3]

In the longer term, consumers will benefit from the deep structural efficiencies intercarrier compensation reform will introduce to the marketplace. Attachment B depicts the straightforward, "minute-is-a-minute" compensation rules that will apply after Plan implementation to the carriers handling most telecommunications traffic in the United States—a vast improvement over the current regulatory hodge-podge depicted in Attachment A. In short, by removing regulatory disparities between service types (*e.g.*, wireline vs. wireless, interstate vs. intrastate, and VoIP vs. circuit switched telephony), the Plan will minimize arbitrage opportunities and competitive distortions. It will facilitate the provision of bundled all-you-can-eat services. By reducing the reliance of rural carriers on switched access charges, it will remove regulatory disincentives for the creation of larger local calling areas. And perhaps most important, it will alleviate investment-deterring uncertainty, reduce litigation costs, and productively focus carriers' attention on competing to sell consumers better, cheaper services rather than on exploiting regulatory loopholes.

[3] An economic analysis of the Plan's consumer benefits, prepared by AT&T and attached as Exh. 2 to the Plan's Policy and Legal Overview, estimates that adoption of the Plan could produce a total economic benefit of more than $50 billion within an eight-year time horizon and could create more than 18,000 new jobs.

Attachment A

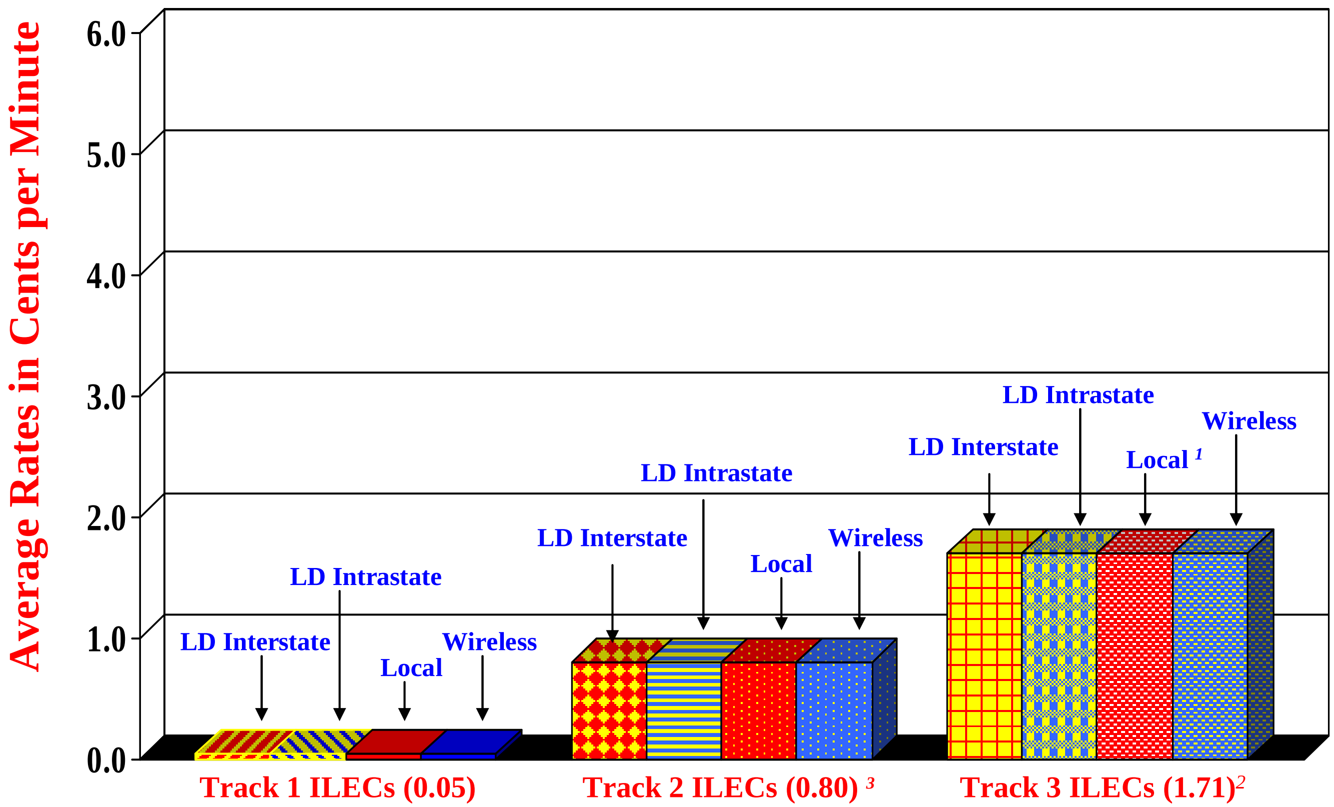
Current Intercarrier Compensation Rates
The System is Broken



High (¢/min):	1.5	8.9	9.9	34.9	6.8	35.9	0.3	0.1	8.9	0.3
Low (¢/min):	0.5	0.3	0.4	0.7	0.2	0.4	0.0	0.0	0.2	0.0

Attachment B

Terminating Intercarrier Compensation Rates
The Missoula Plan Solution



1. **Compensation for EAS traffic remains under existing arrangements.**
2. **Reciprocal compensation rates for 251(b)(5) traffic capped at interstate access rate levels. Access traffic capped at interstate access rate levels.**
3. **Assumes end office switching rate of 0.05 (same as Track 1 rate) and 0.75 for common transport and tandem switching.**

The Missoula Plan
Intercarrier Compensation Reform

NARUC Task Force on Intercarrier Compensation

- **April 2003 – NARUC forms Task Force on Intercarrier Compensation – draws widespread participation from all industry segments**
- **NARUC Task Force conducts twelve workshops between July 2004 and January 2006**
- **4th quarter 2005 – NARUC Task Force asks for industry-driven plan**
- **March 2006 – Industry sub-group delivers *Missoula Plan* to NARUC Task Force**
- **April 21, 2006 – Industry participants "vote" on whether to support Missoula Plan**
- **Plan supporters develop additional Plan details and conduct outreach to broaden support**
- **Details of comprehensive Missoula Plan submitted to NARUC Task Force**
- **July 24, 2006 – NARUC files Missoula Plan with FCC**
- **July 25, 2006 – FCC seeks comment on Missoula Intercarrier Compensation Reform Plan**

Missoula Plan Supporters

Epic Touch

Global Crossing

Level 3 Communications

Iowa Telecom

The Rural Alliance (325+ rural telephone companies)

AT&T

Madison River Communications

Consolidated Communications

BellSouth

Commonwealth Telephone Co.

Cingular Wireless

Current Intercarrier Compensation System is Broken

Average Rates in Cents per Minute

6.0
5.0
4.0
3.0
2.0
1.0
0.0

Small ILEC Intrastate (5.1)

CLEC Interstate (0.6)

CLEC Intrastate (3.0)

Large ILEC Intrastate (2.5)

Small ILEC Interstate (1.8)

Large ILEC Interstate (0.6)

Recip Comp Voice (0.2)

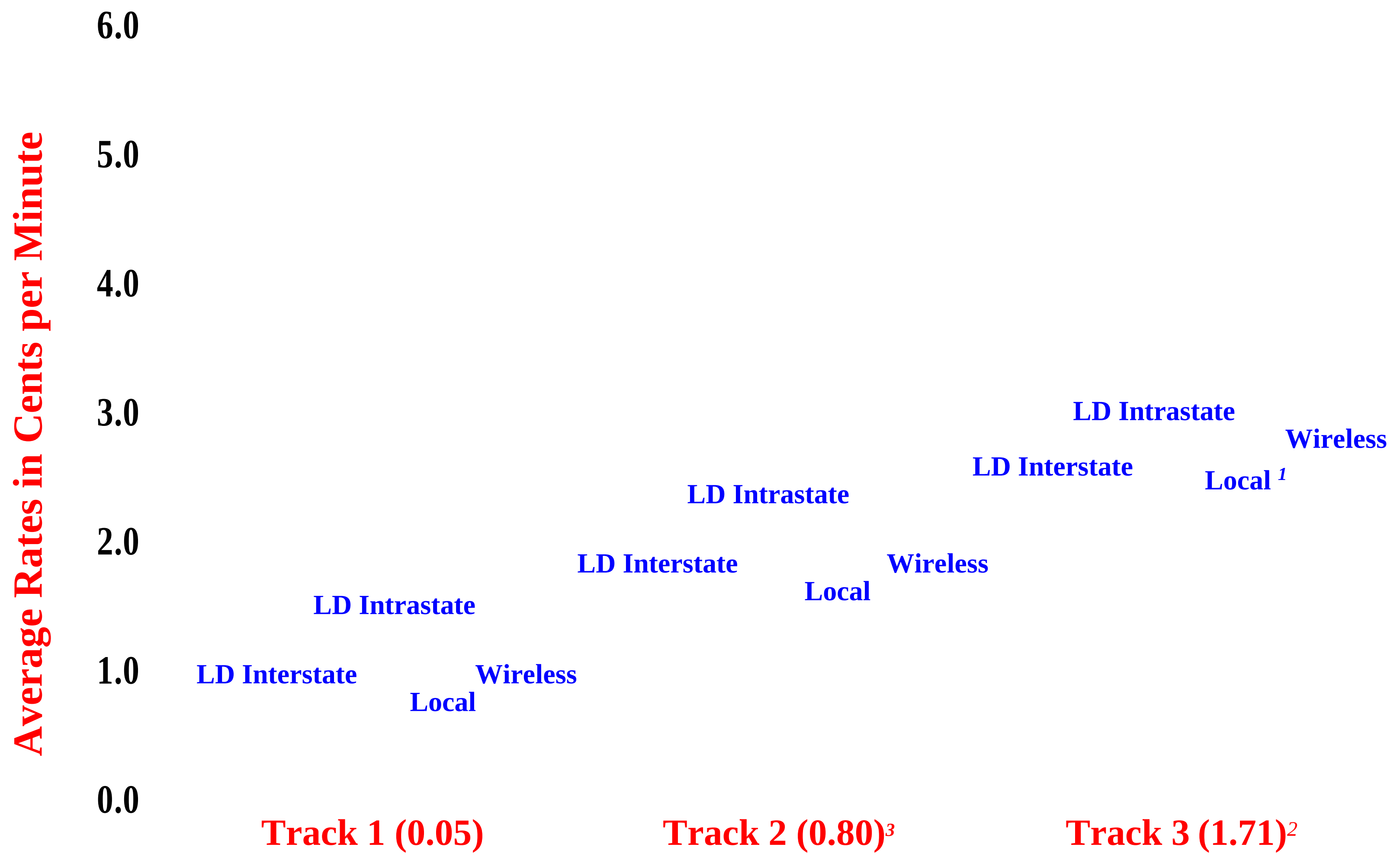
CMRS – ILEC InterMTA (0.6)

Recip Comp ISP (0.1)

CMRS – ILEC IntraMTA (0.2)

	Long Distance Calls						Local Calls		Wireless Calls	
High (¢/min):	1.5	8.9	9.9	34.9	6.8	35.9	0.3	0.1	8.9	0.3
Low (¢/min):	0.5	0.3	0.4	0.7	0.2	0.4	0.0	0.0	0.2	0.0

Terminating Intercarrier Compensation Solution



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Missoula Plan Overview

- **Six year plan unifies intercarrier charges for majority of nation's lines and moves *all intercarrier rates for all traffic* closer together**
- **Some parts of the Plan are discretionary for States, all others are mandatory**
- **Tailors reform based on three categories of carrier, or *Tracks***
- **Provides alternative sources for recovery through federal SLC increases and a new Restructure Mechanism**
- **Establishes uniform default interconnection rules**
- **Addresses phantom traffic and other intractable industry disputes such as VoIP-to-PSTN compensation, Virtual FX and IntraMTA wireless compensation**
- **Requires NPRMs at Steps 4 and 6 to determine whether additional reform is appropriate**
- **Provides additional funding to: insulate Lifeline customers from SLC increases; establish an Early Adopter Fund; and increase certain high cost funding**
- **Creates an incentive regulation option for qualifying rate of return ILECs**

Voluntary vs. Mandatory

- **The Plan's supporters hope and expect the Missoula Plan will be implemented nationwide**
- **States will have discretion to decide whether to participate in certain aspects of the Plan**
  - ***Reform for Tracks 1 and 2:*** State implementation will be voluntary at Step 1 for *intrastate originating switched access*. The Plan will include incentives designed to encourage State implementation, e.g., SLC caps will increase even in States that do not adopt the Plan.
  - ***Reform for Track 3:*** State adoption of the Plan's Track 3 rate levels for *originating and terminating intrastate switched access* will be voluntary. The Plan will include incentives starting at Step 1 to encourage State participation.
- **In all other respects, the Plan's terms and the rules the FCC adopts to implement those terms, will be mandatory – the mandatory provisions of the Plan will include, for example:**
  - Transitioning all terminating rates for Track 1 and 2 carriers, including terminating intrastate switched access, to reciprocal compensation.
  - Implementation of call signaling rules, process to exchange call detail records, negotiation of formal interconnection agreements, Tandem Transit Service, the interconnection framework and the use of telephone numbers to determine the whether switched access or reciprocal compensation charges apply will be mandatory.
  - Establishment of the Restructure Mechanism, the Early Adopter Fund and an incentive regulation option.

Carrier Categories

- **Missoula Plan creates three carrier categories, or *Tracks* – reform tailored for each Track**
- **Track 1 carrier category**
  - RBOC ILECs, all non-CRTC ILECs and all non-ILEC carriers, e.g., CMRS, CLEC and IXC carriers
  - Comprises 92 ILEC study areas with approximately 146.2M ILEC lines
- **Track 2 carrier category**
  - Most mid-size ILECs
  - Comprises 158 ILEC study areas with approximately 12.5M ILEC lines
- **Track 3 carrier category**
  - Smallest ROR ILECs
  - Comprises 1,185 study areas with approximately 7.3M ILEC lines
- **Carriers must meet the following definition of a Covered Rural Telephone Company (CRTC) to be treated as a Track 2 or 3 carrier**
  - Carrier must be an ILEC in a particular study area as of August 1, 2006, meet the definition of rural in the Act, not be owned by a BOC or its affiliate and serve less than 1M lines; or
  - Carrier must be an ILEC and qualify as a 2% carrier under the criteria contained in section 251(f)(2) in all study areas it holds as of August 1, 2006 and
    - ✓ must have a holding company average of less than 19 lines per square mile; or
    - ✓ must be non-rural, interstate ROR and select incentive regulation by December 31, 2006.

Intercarrier Compensation Transition

<table>
<tr><th></th><th colspan="2">Termination Charges</th><th>Origination Charges</th></tr>
<tr><th></th><th>Reciprocal Compensation</th><th>Terminating Access</th><th>Originating Access</th></tr>
<tr><td>Track 1</td><td colspan="2">Step 3: Termination charges for all traffic unify at $0.0007. Transport charges for dedicated transport unify at interstate direct trunk transport rate levels.

Step 4: Termination charge decreases to $0.0005.</td><td>Step 4: Charges unify as follows:
➢ $0.002 for end office switching;
➢ $0.0025 for tandem switched transport;
➢ Interstate direct trunk transport rate levels for dedicated transport.
Or, carriers may eliminate originating access.</td></tr>
<tr><td>Track 2</td><td colspan="2">Step 3: Termination charges for all traffic unify at $0.0005. Transport charges for tandem switched transport unify at:
➢ $0.0105 for ROR study areas;
➢ $0.0075 or $0.0097 (when originating is eliminated) for price cap or incentive regulation study areas;
➢ Interstate direct trunk transport rate levels for dedicated transport.</td><td>Step 4: Charges unify as follows:
➢ $0.002 for end office switching and $0.0105 for tandem switched transport in ROR study areas;
➢ $0.002 for end office switching and $0.0075 for tandem switched transport in price cap or incentive regulation study areas;
➢ Interstate direct trunk transport rate levels for dedicated switched transport.
Or, carriers may eliminate originating access.</td></tr>
<tr><td>Track 3</td><td>Step 1: Transport and Termination rates capped at interstate access levels. Existing EAS arrangements with other ILECs continue unchanged.</td><td>Step 4: Intrastate access charges unify at interstate access rate levels.</td><td>Step 4: Intrastate access charges unify at interstate access rate levels.</td></tr>
</table>

Alternative Sources of Revenue

- **As intercarrier compensation rates are reduced, carriers will have an opportunity to recover resulting lost revenues through SLC cap increases**
  - Track 1 SLC caps increase to $10.00 over 4 steps
    - ✓ **Pricing constraint No. 1:** Average SLC rate may increase by no more than $0.75 at Step 1, $1.50 at Step 2, $2.50 at Step 3 and $3.50 at Step 4
    - ✓ **Pricing Constraint No. 2:** Individual residential and single-line business SLC rates may increase by no more than $0.95 at Step 1, $1.90 at Step 2, $3.10 at Step 3 and $4.30 at Step 4
    - ✓ Beginning at Step 5, the SLC cap rises with inflation each year
  - Track 2 residential & single line business SLC caps increase to $8.75 over 3 steps – MLB increases to $10.00 at Step 3
  - Track 3 residential & single line business SLC caps increase to $8.75 over 3 steps
- **A new common line price cap basket structure and additional pricing flexibility will apply to all price cap carriers**
- **Restructure Mechanism provides for recovery of revenues, to the extent they aren't recovered through SLC cap increases**
  - The Plan supporters' current best estimate of the Restructure Mechanism at the end of the transition is approximately $1.5B.

"Dialing In" Intercarrier Compensation Reform

	Track 1	Track 2	Track 3
Dial No. 1 --- Intercarrier Rates			
Origination	$0.0045	$0.0095	$0.0171
Termination	$0.0005	$0.0080	$0.0171
Dial No. 2 --- End User Rates			
Interstate SLC cap increases	$3.50/Line/Month	$2.25/Line/Month	$2.25/Line/Month
Dial No. 3 --- Restructure Mechanism		**$1.500B**	
Restructure Mechanism		**$1.500B**	**$0.21**
Early Adopter		**$0.200B**	**$0.03**
Universal Service Fund Adjustments		**$0.525B**	**$0.06**
Additional Lifeline	$0.225B		
High Cost Fund Adjustments	$0.300B		
Total ICR Support		**$2.225B**	**$0.30**

*****Total ICR Support recovered through a monthly per connection unit charge*****

Interconnection Framework

- **The interconnection obligations and intercarrier compensation framework of the Missoula Plan operate on an *Edge* architecture**
  - ➢ An Edge is a location on a carrier's network where it receives traffic to perform the termination function.
  - ➢ To be designated an Edge, a location must satisfy the following requirements.
    - ✓ Physical interconnection must be available.
    - ✓ Direct and indirect interconnection must be available.
    - ✓ Terminates all types of traffic.
    - ✓ Number portability must be offered when requested, except where suspension has been obtained.
    - ✓ Meets the functional network definitions set forth in the Plan, e.g., end office, access tandem, MSC, trunking media gateway.

- **General interconnection obligation: *A carrier must permit other carriers with the financial obligation for interconnection to physically interconnect, directly or through a transit carrier, at its Edge***

- **The Plan specifies duties interconnecting carriers must satisfy to obtain interconnection**

- **The Plan establishes rules for procurement and provision of Tandem Transit Service**
  - ➢ Carrier with the financial obligation for transport chooses the transit carrier.
  - ➢ Indirectly interconnected carriers and the Tandem Transit Provider must exchange call detail records at no additional charge.

Intercarrier Compensation Framework

- **Each carrier has a financial obligation to *transport* its originating non-access traffic to the terminating carrier's Edge**
  - *Transport* is the transmission facilities a carrier requires to physically connect its network with the terminating carrier's edge.
  - Transport exceptions exist for out of balance traffic.
  - Interconnection between Track 1 carriers and CRTCs is governed by a specific transport framework.
- **Each carrier has a financial obligation for the *termination* of its traffic by the terminating carrier**
  - *Termination* is the acceptance of traffic by a terminating carrier at its Edge and the delivery of the traffic to the called party.
  - Termination charges cover any transport and end office switching a terminating carrier uses to deliver traffic from its Edge to the called party.
- **As a general rule, calling and called telephone numbers will be used to determine when traffic should be subject to switched access charges or reciprocal compensation charges**
  - Resolves wireless intraMTA intercarrier compensation disputes.
  - Resolves virtual FX and VoIP-to-PSTN intercarrier compensation disputes.
- **The Plan provides a mechanism governing how *all* carriers may obtain both interim and formal interconnection agreements – and companion reciprocal compensation arrangements – for the exchange of non-access traffic**

Comprehensive Solution for Phantom Traffic

- **Establishes call signaling rules that apply to all communications service providers and traffic identification obligations to help expeditiously resolve disputes**
  - With certain exceptions, every originating communications service provider must transmit telephone number of the calling party to intermediate and terminating carriers.
  - With certain exceptions, every intermediate communications service provider must transmit without alteration the telephone number information it receives from another provider.
  - When a provider's switch is equipped with SS7, it shall utilize SS7 when interconnecting directly with another provider's switch that is equipped with SS7.

- **Proposes an *industry-driven* uniform framework for the generation and exchange of call detail records**

- **Implements rules to govern procurement and provision of Tandem Transit Service**

- **Recommends an interim order, pending adoption of comprehensive intercarrier compensation reform, that will:**
  - Implement the call signaling rules.
  - Establish an interim process and, in certain circumstances, charges for the creation and exchange of call detail information.

Other Features of the Missoula Plan

- **Creates a federal Early Adopter Fund for States that have rebalanced intrastate access through explicit state funds**
  - Minimum of $200M provided for the Early Adopter Fund.
  - Missoula Plan supporters commit resources to work with State Commissioners to help size this Fund and determine how it should work when States have rebalanced intrastate access through state funds or local rate increases.
- **Provides additional universal service support**
  - Provides approximately $300M for several rural and non-rural high cost loop fund modifications.
  - Provides approximately $225M in additional Lifeline support to insulate low income consumers from SLC increases.
- **ROR CRTCs will have an annual option to move to an incentive regulation program on a study area-by-study area basis**
  - Study areas for which incentive regulation is chosen will be treated as Track 2.
  - Existing ROR rules for switched services will be replaced by rules that regulate prices.
  - Interstate special access prices will be reinitialized to 11.25% ROR and subject to a price cap plan.

Ubiquitous Broadband Essential to Strong U.S. Economy

"Girls, when I was growing up, my parents used to say to me, 'Tom, finish your dinner — people in China and India are starving.' My advice to you is: Girls, finish your homework — people in China and India are starving for your jobs."

The World is Flat **by Thomas Friedman**