

Wyoming Telecommunications Association

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FCC - MAILROOM

President *Becky Dooley*
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Executive Secretary *Carol St Clair*
Secretary/Treasurer *Edie Ortega*

September 13, 2006

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Re: The Missoula Plan Intercarrier Compensation Plan Reform:
Docket 01-92; DA 06-1510

Dear Ms. Dortch:

Certain rural independent carriers of the Wyoming Telecommunications Association (WTA),¹ that provide telecommunications services in the state of Wyoming, supports rational intercarrier compensation reform and commends the efforts of NARUC and the various carrier industry groups who have worked so diligently to craft a proposed solution to the issues of uncertainty surrounding intercarrier compensation. Given Wyoming's large size and sparse population, ILECs serving the state are dependent upon sufficient, predictable and sustainable solutions to the intercarrier compensation dilemma. Further, continued deployment of reliable telecommunications and advanced services such as broadband are critical to the economic development and the well-being of citizens of the State of Wyoming.

The rural independent carriers of WTA support inclusion of these guiding principles when the FCC addresses Intercarrier Compensation Reform:

- Local rate affordability and the preservation of universal service should be a top priority;
- Proper incentives to encourage investment in affordable advanced technologies for rural communities and economic development. An essential concept when investing in these services is preserving affordable local rates so consumers have the ability to purchase new services;
- Reform should help bridge the digital divide.

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¹ Rural independent companies include All West Communications, Chugwater Telephone, CenturyTel, Dubois Telephone Exchange, Project Telephone, Range Telephone Cooperative, RT Communications, Silver Star Communications, Tri County Telephone, TCT West, and Union Telephone.

- Assurance that the universal service contribution mechanism has been stabilized and is sufficient to address any potential intercarrier compensation reform and the development of any subsequent access restructure mechanisms;

Missoula Plan Concepts:

- The rural independent carriers of WTA support the need for broader intercarrier compensation reform, including a balanced approach to unifying access rates, careful consideration of increases in end user rates, and shifting revenues to a new access restructuring mechanism.
- The Rural Alliance is to be commended for their work on the Missoula Plan and the principles they have incorporated in the work product as reflected in Track 3. The imposition of Track 2 on many rural rate-of-return study areas associated with midsize rural ILECs has raised issues as to whether these study areas should be treated the same as Track 3 companies under the Missoula Plan.
- The extent to which the Missoula Plan shifts intercarrier compensation to end user recovery mechanisms for Tracks 1 and 2 requires more scrutiny. Wyoming has some unique issues that must be addressed associated with these proposed shifts.
- Large integrated telecom providers, which pay access charges, appear to benefit the most from the access reductions proposed under the Missoula Plan. Thus, the rural independent carriers of WTA are concerned that rural consumers served by providers in Track 1 and 2 will not benefit as much as urban telecom consumers.
- In order to maintain local rate affordability and preserve universal service, it may be necessary for the FCC to consider higher intercarrier compensation rates for Tracks 1 and 2 than those proposed in the Missoula Plan. Such action will become paramount if Congressional legislation is passed capping the size of the universal service fund.
- In our view the proposed restructure mechanism in the Missoula Plan should not be considered universal service, but rather access revenue. Access replacement funding is not universal service and should only be available to providers who have reduced access charges under intercarrier compensation reform efforts.
- The plan seems quite complicated and it may be more appropriate to simplify it by creating two Tracks.
- The plan rightly distinguishes between rural carriers and the RBOCs in the proposed network architecture rules as demonstrated by the creation of a full rural carve out. This concept should be implemented as proposed in the plan.

- We support concepts in the plan that preserve rate-of-return regulation and endorse the plan's incentive regulation option. Rate of return carriers need a workable alternative regulation plan at the federal and state level.
- The early adopter fund as proposed in the plan is a good idea. However, it is unclear how the allocation process will work at the state level and whether or not the fund is properly sized. This is particularly important to Wyoming.
- The plan proposes a potential solution to the issue of phantom traffic, we support these efforts and this issue should be acted upon immediately prior to broader intercarrier compensation reform. The increasing practice of improper traffic labeling and routing pose a direct threat to the security of the telecommunications network and the consumers who rely upon it;
- In its present form, the Restructure Mechanism should not be applied to companies whose consumers, as a result of prior rate rebalancing, are paying local service rates significantly above the nation-wide average rural local service rate;
- Lastly, the transition period needs to be longer in order to monitor and adjust for unforeseen, unintended consequences;

Conclusion:

We support rational attempts to reform intercarrier compensation. The Missoula Plan raises good points and presents positive suggestions for intercarrier compensation reform. For instance, addressing the issue of phantom traffic immediately, prior to broader reform would help alleviate some of the problems in the current system.

We believe the Missoula Plan is not perfect but represents a good start towards addressing reform. The influence of the Rural Alliance on the plan is positive and should be extended to all non-RBOC ILECs. Modifications to the plan are needed in order to ensure rural consumers benefit from broader reform efforts. Accordingly the rural independent carriers of the Wyoming Telecommunications Association supports broader intercarrier compensation reform with modifications to the Missoula Plan. While there are shortcomings in the Missoula Plan, it is a compromise that attempts to address very complex issues. As a compromise, it deserves a full review and careful consideration as the best effort thus far submitted to improve intercarrier compensation.

Sincerely,



Becky Dooley
President