BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
The Missoula Plan Intercarrier	)	CC Docket No. 01-92
Compensation Reform Plan	)	

COMMENTS
OF
CANBY TELEPHONE ASSOCIATION,
ASOTIN TELEPHONE COMPANY D/B/A TDS TELECOM,
BEAVER CREEK COOPERATIVE TELEPHONE COMPANY,
CASCADE UTILITIES, INC.,
HELIX TELEPHONE CO.,
HOME TELEPHONE COMPANY D/B/A TDS TELECOM,
MOLALLA COMMUNICATIONS COMPANY,
MONROE TELEPHONE COMPANY,
NEHALEM TELECOMMUNICATIONS, INC.,
OREGON-IDAHO UTILITIES, INC.,
PEOPLE'S TELEPHONE CO.,
PIONEER TELEPHONE COOPERATIVE,
STAYTON COOPERATIVE TELEPHONE COMPANY,
AND TRANS-CASCADES TELEPHONE COMPANY

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INTRODUCTION

These Comments are being filed by the following companies: Canby Telephone Association, Asotin Telephone Company d/b/a TDS Telecom, Beaver Creek Cooperative Telephone Company, Cascade Utilities, Inc., Helix Telephone Co., Home Telephone Company d/b/a TDS Telecom, Molalla Communications Company, Monroe Telephone Company, Nehalem Telecommunications, Inc., Oregon-Idaho Utilities, Inc., People's Telephone Co., Pioneer Telephone Cooperative, Stayton Cooperative Telephone Company and Trans-Cascades Telephone Company ("Oregon Companies"). The Oregon Companies that are participating in these Comments will all qualify as Track 3 carriers under the provisions of the Missoula Plan. Thus, the analysis that has been undertaken on behalf of these carriers has focused on Track 3 provisions of the Missoula Plan and some of the other general detail to address traffic and transport issues on the public switched telecommunications network (PSTN).

THE NEED FOR INTERCARRIER COMPENSATION REFORM

Almost everyone in the telecommunications industry is in agreement that there is substantial need to address existing problems related to intercarrier compensation. Efforts to bypass intrastate access charges are multiplying. Phantom traffic on the PSTN is a mounting concern. There is incentive for interexchange carriers to maximize their percent interstate usage (PIU) under existing tariff provisions to minimize the extent to which they pay intrastate access. Carriers have devised means such as "IP-in-the-middle" routing of traffic as an effort to avoid classification as access traffic.[1] Prepaid calling card providers have tried various ways to

[1] Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges, WC Docket No. 02-361, Order, FCC 04-97 (Released April 21, 2004).

describe their mechanisms as being exempt from intrastate access charges.[2] All of this points to a need to address intercarrier compensation reform.

However, the bill-and-keep types of proposals, such as those initially advanced by the Intercarrier Compensation Forum ("ICF") and advanced by Qwest Communications International, Inc., would spell potential disaster for rural carriers. A bill-and-keep mechanism may be workable for the largest carriers. It is not a solution for small or medium size carriers.

Nor is Verizon, Inc.'s advocacy that the solution to intercarrier compensation reform is to adopt a business solution model where carriers negotiate agreements with one another appropriate for intercarrier compensation reform. That solution may work for Verizon. It will not work for small or medium size carriers. The rural companies in Oregon have been very aggressive in the past two years in seeking to negotiate traffic exchange agreements with wireless carriers. Those efforts met with limited success until this Commission issued its T-Mobile decision.[3] Even after the T-Mobile decision, one hundred percent success has remained elusive.

What this effort has taught the rural companies is that the concept of negotiating "business" arrangements with all of the competitive local exchange carriers (CLECs) and the remainder of the wireless companies, would be extraordinarily expensive and time consuming. The rural companies do not have markets that are attractive to these carriers and have no leverage to get these carriers to negotiate a "business" solution as envisioned by Verizon. The Verizon approach will not work for most rural carriers.

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[2] See, e.g., In the Matter of AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services; Regulation of Prepaid Calling Card Services, WC Docket Nos. 03-113, 05-68; Order and Notice of Proposed Rulemaking, FCC 05-41 (Released Feb. 23, 2005).

[3] In the Matter of Developing a Unified Intercarrier Compensation Regime T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs, CC Docket No. 01-92, Declaratory Ruling and Report and Order, FCC 05-42 (Released Feb. 24, 2005).

What this leaves is the Missoula Plan's approach to intercarrier compensation reform. In particular, the Missoula Plan provisions for Track 3 carriers recognize the needs of small, rural telecommunications carriers.

TRACK 3 PROVISIONS OF THE MISSOULA PLAN

The provisions that are contained in the Missoula Plan for Track 3 carriers include concepts that are essential for rural telecommunications carriers. These Track 3 provisions recognize the following principles:

1. Revisions to the existing intercarrier compensation framework must recognize distinctions applicable to ILECs subject to rate-of-return regulation;
2. Rural rate-of-return ILECs are entitled to establish cost-based intercarrier compensation rates that recognize the value other carriers receive when they utilize the rural networks to originate and terminate traffic;
3. To the extent that changes in the existing intercarrier compensation rates are imposed on rural rate-of-return ILECs, these rural carriers must receive recovery of the otherwise displaced interconnection revenue from a new sustainable access element that is only available to carriers that experience such imposed intercarrier rate reductions;
4. To the extent that changes in the existing interconnection rules are undertaken, those rule changes must reflect the operational and legal realities which limit the obligations of rural ILECs to undertake financial responsibility for the transport of traffic beyond their networks.

The Missoula Plan provides the proper incentives for rural companies to continue to invest in their networks. The Missoula Plan will further the ability of rural carriers to expand broadband offerings in rural areas.

In addition, the Missoula Plan does a good job of reaching out and finding ways to address other problems that exist in the market today. For example, the Missoula Plan has the following beneficial aspects:

- The Plan clearly defines whether calls are local calls or access calls.
- The Plan resolves the intra-MTA calling issues.
- The Plan addresses virtual NXX issues.
- The Plan provides rules to resolve phantom traffic conflicts.

CONCLUDING COMMENTS

The Oregon Companies are rural carriers that fall under the Track 3 provisions. The Track 3 provisions reflect an extraordinary effort to reach compromise in the industry as to what intercarrier compensation reform should look like for the smaller, rate-of-return carriers.

The Track 3 provisions will not please everyone. However, they do reflect an actual, healthy compromise of various parties' positions and reflect the means by which rural telecommunications carriers can continue to provide investment to serve the rural customers throughout the nation.

Respectfully submitted this 25th day of October, 2006.

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Asotin Telephone Company d/b/a TDS Telecom,
Beaver Creek Cooperative Telephone Company,
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Home Telephone Company d/b/a TDS Telecom,
Molalla Communications Company,
Monroe Telephone Company,
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