Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	CC Docket No. 01-92
Developing a Unified Intercarrier	)	
Compensation Regime	)	

REPLY COMMENTS OF MINNESOTA INDEPENDENT COALITION

The following Reply Comments are submitted by the Minnesota Independent Coalition ("MIC")[1] in response to the Commission's February 16, 2007 Public Notice.[2] The MIC generally supports the development benchmarks, such as the Federal Benchmark Mechanism ("FBM") discussed in the January 30, 2007 *ex parte* letter. However, the MIC does not have sufficient information to comment on whether the specific levels of the FBM are appropriate. Evaluation of the specific levels can occur as a later part of this process.

The FBM can be very useful in relation to: (i) protection of, and fairness between, customers; and (ii) fairness between early adopter states and others. Benchmarks can serve the purpose of aiding in the protection of customers from

[1] The MIC is an unincorporated association of over seventy-five small, Incumbent Local Exchange Carriers ("ILECs") providing local exchange service to primarily rural areas in Minnesota. MIC members average approximately 4,800 access lines, although half of the MIC members have fewer than 1,800 access lines. The average number of access lines per exchange is approximately 1,100, with half having less than 600 access lines.
[2] Public Notice released February 16, 2007, DA 07-738.

excessive rate increases. The MIC has previously supported the use of benchmarks as part of the process of intercarrier compensation reform, and continues to do so.

The protection of customers should include consideration of both: (i) a limit on the final rate that can be charged as part of the intercarrier compensation reform process; and (ii) a limit on the maximum annual rate increase that can be made a part of that process. The FBM appears to do both. However, it is important that the added $2.00 that is contemplated for the Track 3 carriers be divided between the years of the plan so that the first year impact is not disproportionate to the increases in the other years.

The use of an upper benchmark along with funding for states (and the consumers in those states) that have made substantial changes to intrastate access charges is a practical and equitable method to achieve relative fairness both between the states and between the customers in different states. The early adopter states and customers in those states will receive financial support adjustments for intrastate access reform that has already been accomplished.

The MIC has not had sufficient time to evaluate the specific levels of upper and lower benchmarks. The MIC submits that it is important to preserve reasonable comparability of urban and rural rates in connection with any benchmarks that are established. It appears that the proposed benchmarks would achieve that goal. However, a careful evaluation of those levels is appropriate, but that evaluation can

proceed promptly, and the Commission can receive further comments as part of the process of refinement of the Missoula Plan.

Dated: March 28, 2007

Respectfully submitted,

MINNESOTA INDEPENDENT COALITION

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