

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

In the Matter of)
)
Applications Filed for the Transfer of Certain)
Spectrum Licenses and Section 214) WC Docket No. 07-22
Authorizations in the States of Maine, New)
Hampshire, and Vermont from Verizon)
Communications Inc. and its Subsidiaries to)
FairPoint Communications, Inc.)

**REPLY OF
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF
SMALL TELECOMMUNICATIONS COMPANIES**

The Organization for the Promotion and Advancement of Small Telecommunications Companies (“OPASTCO”) submits this Reply in support of the Opposition to Petitions to Deny filed by FairPoint Communications, Inc. (“FairPoint”) and various Verizon affiliates.

OPASTCO is a national trade association representing over 520 small incumbent local exchange carriers (“ILECs”) serving rural areas of the United States. Its members, which include FairPoint, together serve more than 3.5 million customers across the country.¹

OPASTCO believes that Commission approval of the proposed transaction would serve the public interest for the reasons articulated by FairPoint and Verizon in their Opposition. Sales of rural exchanges by large carriers to smaller ones—as contemplated by Verizon and FairPoint in Maine, New Hampshire, and Vermont—are growing increasingly common and have been routinely approved by the Commission.² In fact, rarely are they controversial at all. The

¹ Although FairPoint’s current exchanges qualify for the rural carrier exemption under section 251(f)(1) of the Telecommunications Act of 1996, we understand that FairPoint will not seek that qualification for the exchanges it will acquire from Verizon in Maine, New Hampshire, and Vermont, nor will it seek to suspend or modify sections 251(b) or (c) under section 251(f)(2). *See*, FairPoint/Verizon Opp. at 36 (citing 47 U.S.C. § 251(f)).

² *See* FairPoint/Verizon Opp. at 38, n.130 (citing examples).

Commission has found almost categorically that such transactions “are unlikely to raise the potential of competitive harm.”³ As FairPoint and Verizon note, these transactions allow both the transferee and the transferor to pursue their individual business strategies, to the benefit of their respective customer bases.⁴ The Commission historically has not stood in the way of such mutually beneficial arrangements, and the proposed transaction presents no reason for a new approach.

These types of transactions ultimately bring substantial benefit to the rural and small urban communities affected. Rural ILECs have strong track records in completing these sales successfully and, more to the point, in providing benefits to consumers. This is perhaps most evident with respect to broadband deployment. FairPoint and OPASTCO’s other members have demonstrated a clear ability to overcome the particular challenges of deploying broadband in rural areas, which frequently include dispersed populations, long loop lengths, long distances between wire centers, and difficult terrain. OPASTCO members are upgrading their networks to make broadband available to their customers. Virtually all of OPASTCO’s members offer broadband at affordable rates to their customers. On average, they are able to offer broadband to more than 90 percent of their customers, and more than 40 percent can already deliver broadband to 100 percent of their customer base.

The Vermont House of Representatives recently recognized this success, when it congratulated nine independent carriers in the state for “extend[ing] broadband access to nearly

³ *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517 ¶ 33 (2002).

⁴ *See* FairPoint/Verizon Opp. at 3 (“The proposed transaction illustrates—and facilitates—FairPoint’s and Verizon’s respective (and somewhat divergent) business strategies. FairPoint’s core business is in serving rural and small urban markets; the exchanges in Maine, New Hampshire, and Vermont that are the subject of this transaction fit readily within that model. In contrast, Verizon’s various strategic opportunities have required it to prioritize the demands on its capital, and it has chosen to divest these exchanges in order to accommodate those competing needs.”).

all of their customers.”⁵ In contrast to these carriers, which included OPASTCO members like FairPoint, the Vermont House noted that “the larger regional and national telecommunications providers have been criticized for not providing their entire geographic territories with broadband access.”⁶ Larger carriers instead have focused their recent efforts on the construction of nationwide, fiber-based platforms to support new video services.

By approving this transaction without undue delay, the Commission will help extend these and other benefits to consumers in rural markets. Transactions of this nature are likely to continue in the future as large providers seek to divest additional lines and exchanges. The Commission should continue to process applications such as these in a routine manner, so carriers and customers can benefit from a smooth transition and realize the promised improvement of such transactions.

Accordingly, OPASTCO urges the Commission to reject the petitions to deny filed by One Communications Corp. and the Communications Workers of America and International Brotherhood of Electrical Workers, and to grant FairPoint’s and Verizon’s applications.

⁵ Vermont House of Representatives, No. R-128 (H.C.R.95), *House Concurrent Resolution Congratulating the Independent Telephone Companies in Vermont for Their Extensive Installation of Broadband Access in Their Respective Market Areas* (Apr. 2007), available at <http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2008/acts/ACTR128.HTM> (last visited May 8, 2007).

⁶ *Id.*

Respectfully submitted,

**THE ORGANIZATION FOR THE
PROMOTION AND ADVANCEMENT OF
SMALL TELECOMMUNICATIONS COMPANIES**

By: /s/ John N. Rose
John N. Rose
President

21 Dupont Circle, NW
Suite 700
Washington, DC 20036
(202) 659-5990

May 14, 2007

CERTIFICATE OF SERVICE

I, Brian Ford, hereby certify that a copy of the comments of the Organization for the Promotion and Advancement of Small Telecommunications Companies was sent on this, the 14th day of May, 2007 by first class United States mail, postage prepaid, or via electronic mail, to those listed on the attached sheet.

By: /s/ Brian J. Ford
Brian J. Ford

SERVICE LIST
WC Docket No. 07-22
DA 07-1314

Sumita Mukhoty
Policy Division
International Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
sumita.mukhoty@fcc.gov

Adam Kirschenbaum
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
adam.kirschenbaum@fcc.gov

Erin McGrath
Mobility Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
erin.mcgrath@fcc.gov

Jim Bird
Office of General Counsel
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
jim.bird@fcc.gov

Thomas Jones
Nirali Patel
Willkie Farr & Gallagher, LLP
Attorneys for One Communications Corp.
1875 K Street, NW
Washington, DC 20006

Michael E. Glover
Karen Zacharia
Leslie V. Owsley
Verizon
1515 North Court House Road
Suite 500
Arlington, VA 22201

Nancy J. Victory
Bennett L. Ross
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006

Shirley J. Linn
Robin E. Tuttle
Fairpoint Communications, Inc
521 E. Morehead Street
Suite 520
Charlotte, NC 28202

Karen Brinkmann
Elizabeth R. Park
Brian W. Murray
Kelley M. Mardsen
Latham & Watkins, LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004

Kenneth R. Peres, PhD.
George Kohl
Communications Workers of America
501 3rd Street, NW
Washington DC, 20001

Edwin D. Hill
International President
International Brotherhood of Electrical Workers
900 7th Street, NW
Washington, DC 20001

Best Copy and Printing, Inc.
fcc@bcpiweb.com