



VIA ELECTRONIC DELIVERY

August 3, 2007

Chairman Kevin Martin
Commissioner Jonathan Adelstein
Commissioner Michael Copps
Commissioner Deborah Tate
Commissioner Robert McDowell
Federal Communications Commission (via e-mail)

Re: Ex Parte Communication, Iowa Telecom Petition for Forbearance Under 47 U.S.C. 160(c) from the Universal Service High-Cost Loop Support Mechanisms, WC Docket No. 05-337 (filed May 8, 2006); Iowa Telecom Petition for Interim Waiver of the Commission's Universal Service High-Cost Loop Support Mechanisms, WC Docket No. 05-337 (filed May 8, 2006).

Dear Chairman Martin and Commissioners:

The National Association of State Utility Consumer Advocates (“NASUCA”)¹ would request that this letter be entered into the record in this proceeding to demonstrate NASUCA’s support for the ex parte letter filed on August 2, 2007 by Billy Jack Gregg, Director of the West Virginia Consumer Advocate Division. Mr. Gregg’s letter succinctly presents the reasons why Iowa Telecom Services Inc. (“ITSI”) should not be allowed to change the basis of its collections under the federal universal service fund (“USF”) from that of its current rural carrier status to that of a non-rural carrier.

¹ NASUCA is a voluntary national association of more than forty consumer advocates in 41 states and the District of Columbia, organized in 1979. NASUCA’s members are designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. *See, e.g.*, Ohio Rev. Code Chapter 4911; 71 Pa. Cons. Stat. Ann. § 309-4(a); Md. Pub. Util. Code Ann. § 2-205(b); Minn. Stat. Ann. Subdiv. 6; D.C. Code Ann. § 34-804(d). Members operate independently from state utility commissions, as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (*e.g.*, the state Attorney General’s office). Associate and affiliate NASUCA members also serve utility consumers, but have not been created by state law or do not have statewide authority.

As Mr. Gregg explains, this change would result in ITSI's annual high-cost support increasing from \$4.8 million to \$27 million;² Qwest's annual high-cost support in Iowa increasing by \$6.3 million; and high-cost support to competitive eligible telecommunications carriers ("CETCs") in Iowa also increasing. Yet the addition of ITSI to the non-rural High Cost Model support mechanism would also reduce annual support for existing recipients by \$20.8 million. ITSI should not be permitted to wreak these consequences on the USF based on its own self-interest. This is especially important given ITSI's apparent failure to invest in its network.

Mr. Gregg's position is consistent with the comments filed by NASUCA opposing ITSI's petitions.³ The petitions should be denied.

Respectfully submitted,

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² See, Iowa Telecom's Petition for Forbearance (May 8, 2006), Appendix pp. 20-21. The \$27 million in total high cost support is the sum of \$22.2 million in additional High Cost Model Support and Iowa Telecom's existing \$4.8 million in Interstate Access Support.

³ See NASUCA Comments (July 3, 2006) and Reply Comments (July 18, 2006).