



October 28, 2008

Chairman Kevin Martin
Commissioner Michael Copps
Commissioner Jonathan Adelstein
Commissioner Deborah Tate
Commissioner Robert McDowell
Federal Communications Commission
445 12th Street, SW
Washington, D. C. 20554

RE: *Developing a Unified Intercarrier Compensation Region, CC Docket No. 01-92;
IP-Enabled Services, WC Docket No. 04-36; Universal Service Contribution
Methodology, WC Docket No. 06-122*

Dear Commissioners:

Texas Statewide Telephone Cooperative, Inc. (TSTCI) submits this letter on behalf of its 38 member companies listed on Exhibit A, to express our concerns with plans to consider a comprehensive proposal to reform the intercarrier compensation regime and the federal universal service fund at the November 4 Open Meeting. The companies listed are small, rural telephone companies and cooperatives that operate in the State of Texas. The 38 companies provide service to greater than 50% of the geography of the State and provide local exchange and broadband services to approximately 250,000 consumers.

We fully understand and support reform of intercarrier compensation and federal universal service; however, we must express our disappointment at the lack of opportunity to provide comments on the overall proposal. Furthermore, given most small rural companies' financial dependence on these two significant revenue streams, the details matter; how these changes are implemented will have significant impact on rural customers and the companies that serve them. It is impossible to determine the overall impacts without having an opportunity to review the entire proposal. Reports from industry members and analysts have caused us to be concerned that our member companies' ability to continue providing quality service, including advanced services, may be jeopardized if the proposed reform is approved. Unfortunately, fundamental changes to intercarrier compensation and universal service, coupled with the national financial crisis, puts into question the ability of many small rural companies to meet customers' future broadband demands.

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On behalf of its member companies, TSTCI urges the Commission to submit its comprehensive proposal for comment and allow affected companies the opportunity to make recommendations that will support our ability to continue providing quality services and to continue investing in broadband for the benefit of consumers nationwide.

In closing, we express our concerns that small rural companies and the consumers they serve may be at a disadvantage given the regulatory uncertainty this order may create in an already unstable financial market. Our small rural carriers urge the commission to provide the opportunity to comment on the entire proposal.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie Hughes". The signature is written in a cursive, flowing style.

Cammie Hughes
Authorized Representative

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Alenco Communications, Inc.
Big Bend Telephone Company, Inc.
Brazos Telecommunications, Inc.
Brazos Telephone Coop., Inc.
Cameron Telephone Company
Cap Rock Telephone Coop., Inc.
Central Texas Telephone Coop., Inc.
Coleman County Telephone Coop., Inc.
Colorado Valley Telephone Coop., Inc.
Community Telephone Company, Inc.
Cumby Telephone Coop., Inc.
Dell Telephone Coop., Inc.
E.N.M.R. Telephone Coop., Inc.
Eastex Telephone Coop., Inc.
Electra Telephone Company
Etex Telephone Coop., Inc.
Five Area Telephone Coop., Inc.
Ganado Telephone Company, Inc.
Hill Country Telephone Cooperative, Inc.
Industry Telephone Company, Inc.
La Ward Telephone Exchange, Inc.
Lake Livingston Telephone Company
Lipan Telephone Company, Inc.
Livingston Telephone Company
Mid-Plains Rural Telephone Coop., Inc.
Nortex Communications, Inc.
Panhandle Telephone Coop., Inc.
Peoples Telephone Coop., Inc.
Poka Lambro Telephone Coop., Inc.
Riviera Telephone Company, Inc.
Santa Rosa Telephone Coop., Inc.
South Plains Telephone Coop., Inc.
Tatum Telephone Company
Taylor Telephone Coop., Inc.
Wes-Tex Telephone Coop., Inc.
West Plains Telecommunications, Inc.
West Texas Rural Tel. Coop., Inc.
XIT Rural Telephone Coop., Inc.