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, DC 20555

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

Dear Mr. Chairman and Commissioners:

Great Plains Communications, Inc., of Blair, Nebraska, which serves approximately 28,500 access lines in 63 exchanges across Nebraska, has previously expressed serious concerns regarding the impact of the proposed intercarrier compensation and universal service order on our customers and our company. However, additional information that has been recently divulged regarding the apparent permanent pricing methodology for intercarrier compensation requires additional comment.

We have previously expressed concerns that the FCC is considering adopting a pricing methodology that would not require companies that use rural networks for the benefit of their bottom line to even cover the costs for using those rural networks, let alone the cost of billing for the services received. We have recently heard that the Commission requested former FCC chief economist and Wharton Professor Gerald R. Faulhaber to develop a new pricing methodology that is reportedly included in this order. We also understand that this pricing methodology provides the fundamental basis for developing low rates. We also understand the Commission proposes what in our view is pre-emption of state rate-making authority for intrastate access charges and reciprocal compensation rates by directing states to use the proposed methodology that will necessarily result in statewide transport and termination rates of $0.0007 or lower.

We do not take issue with Professor Faulhaber's credentials, as we understand that he is well respected in the economic community. We do, however, take strong exception to the Commission considering a methodology that is a significant departure from rate-of-return ratemaking for interstate switched access and TELRIC pricing for reciprocal compensation that have been approved and used by the FCC for years.

The application of the Commission's current incremental pricing rules under TELRIC does not produce the extremely low rates, especially for rural local exchange carriers, which reportedly must result from the new methodology. Although we do not know the specifics of the proposed pricing methodology, nor had an opportunity to analyze or even review the rationale, we are unaware of any incremental pricing methodology that would produce rates anywhere near as low as $0.0007 for rural companies. Telecommunications industry policies have long recognized the distinct characteristics and unique challenges of rural carriers. There is no rationale basis for imposing a single, uniform rate on all carriers.

We are at a distinct disadvantage to provide a specific critique of the method, as are other experts in the telecommunications industry. As we know from years of experience in this industry, even *if* economic experts agree on the theory they generally do not agree on the methodology or approach. The Administrative Procedures Act (APA) requires that the FCC seek comment on new proposals. It is a violation of the APA to adopt a new pricing methodology that the public has not been able to analyze or comment on. It is not good public policy for the Commission to adopt a method that would have a disastrous affect on our customers and our company and not even allow us to have the opportunity to comment on the reasonableness of the method.

We urge the Commission to issue decisions in this proceeding only on those items that have been fully vetted, such as phantom traffic and traffic pumping, and to narrowly address the court remand on ISP-bound traffic. We urge that Commission issue a Further Notice of Proposed Rulemaking, thereby putting any tentative decisions for comprehensive intercarrier compensation reform, including the details of this apparent pricing proposal, out for comment before possible adoption.

Sincerely,

Ken Pfister

Ken Pfister
Vice President-Strategic Policy

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