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December 10, 2008

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, DC 20554

Ex Parte Notice

**Re: WC Docket Nos. 05-337, 03-109, 06-122, 04-36
CC Docket Nos. 96-45, 99-200, 96-98, 01-92, 99-68**

Dear Ms. Dortch,

On December 10, 2008, H. Keith Oliver of Home Telephone Company, Roger Nishi of Waitsfield and Champlain Valley Telecom, Robert DeBroux of TDS Telecom, Paul Cooper of Fred Williamson & Associates, Inc., John Rose and Stuart Polikoff of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), and Derrick Owens of the Western Telecommunications Alliance (WTA) met with Scott Deutchman, Competition and Universal Service Legal Advisor to Commissioner Copps.

The purpose of the meeting was to encourage the Commission to adopt, as quickly as possible, the Alternative Proposal for comprehensive universal service and intercarrier compensation reform contained in Appendix C of the November 5th Further Notice of Proposed Rulemaking (FNPRM) in the above-captioned dockets. Failure by the Commission to act quickly on the Alternative Proposal will place additional strain on the revenue streams of rural, rate of return (RoR)-regulated incumbent local exchange carriers (ILECs) and thus their ability to provide consumers throughout their territories with high-quality basic and advanced services at affordable rates. The Alternative Proposal contains the minimum support and protections that rural RoR ILECs need to continue serving as carriers of last resort (COLRs) and make broadband Internet access service available to 100 percent of their customers within five years, which the Proposal would require. We pointed out that from the perspective rural RoR ILECs, the Alternative Proposal is far from ideal, as there are many provisions which, taken

individually, inhibit these carriers' ability to invest in their networks and serve as COLRs. These include the freeze imposed on rural RoR ILECs' study area high-cost support, maintaining the status quo on intercarrier compensation payments for IP/PSTN traffic during the ten-year transition rather than affirmatively requiring payment from IP/PSTN services, and the new "additional costs" standard for determining reciprocal compensation rates which will produce rates of nearly zero. Nevertheless, OPASTCO and WTA support adoption of the Alternative Proposal, recognizing that is a fair and balanced compromise of the interests of numerous stakeholders. However, that support is conditioned upon the Proposal being adopted with all of the items included in OPASTCO and WTA's October 29, 2008 *ex parte* letter that was included in Appendix D of the FNPRM. So long as the Alternative Proposal is adopted with all of these items, it will provide rural RoR ILECs with the stable and certain revenue flows necessary for them to continue serving as COLRs and to meet the Commission's expectations for broadband availability throughout their service areas.

In accordance with FCC rules, this letter is being filed electronically in the above-captioned dockets.

Sincerely,

Stuart Polikoff
Director of Government Relations
OPASTCO