

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of:

High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link Up	)	WC Docket No. 03-109
	)	
Universal Service Contribution Methodology	)	WC Docket No. 06-122
	)	
Implementation of the Local Competition	)	CC Docket No. 96-98
Provisions in the Telecommunications Act of	)	
1996	)	
	)	
Developing a Unified Intercarrier Compensation	)	CC Docket No. 01-92
Regime	)	
	)	
Intercarrier Compensation for ISP-Bound Traffic	)	CC Docket No. 99-68
	)	
IP-Enabled Services	)	WC Docket No. 04-36

**REPLY COMMENTS OF THE MINNESOTA TELECOM ALLIANCE**

The Minnesota Telecom Alliance (“MTA”)<sup>1</sup> submits the following Reply Comments to the Federal Communications Commission (“Commission”) in response to the Commission’s November 5, 2008 Order,<sup>2</sup> as further provided in the November 12, 2008 Notice.<sup>3</sup> The volume of the initial comments and time constraints have significantly limited the MTA’s opportunity to review and address initial comments filed in this proceeding.

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<sup>1</sup> The MTA is incorporated in the State of Minnesota and represents members that include over eighty Incumbent Local Exchange Carriers (“ILECs”) and Competitive Local Exchange Carriers (“CLECs”) providing incumbent and competitive local exchange service to primarily rural areas in Minnesota.

<sup>2</sup> *Order on Remand and Report and Order and Further Notice of Proposed Rulemaking*, CC Docket Nos. 96-45, 96-98, 99-68, 99-200, 01-92, WC Docket Nos. 03-109, 04-36, 05-337, and 06-122 (adopted and released November 5, 2008).

<sup>3</sup> Public Notice, DA-08-2486, released November 12, 2008.

The MTA agrees with and endorses the principles and concerns identified in the Initial Comments of the Minnesota Independent Coalition (the “MIC Initial Comments”), which were addressed primarily from the perspective of Rural ILECs. The MTA agrees with the MIC Initial Comments and with other parties that have expressed the importance of reform of intercarrier compensation and the Federal universal service fund (“USF”). The MTA also agrees with the MIC and other parties who have explained that the successful reform of intercarrier compensation and USF will require the Commission to recognize and accommodate significant differences between carriers and the communities that they serve. A number of substantial differences arise from distinctions between urban and rural areas, which are particularly apparent in a state such as Minnesota, which has a combination of a single very large and dense urban area (Minneapolis/St. Paul), several other moderate sized cities (Duluth, St. Cloud, Rochester, and portion of the Fargo/Moorhead), and a large rural area, including very sparsely populated areas.

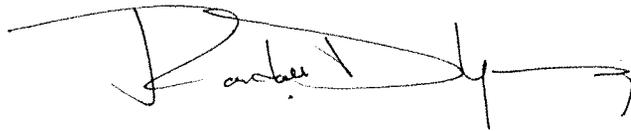
The MIC Initial Comments noted the potential adverse impact on rural consumers and on the ability of Rural ILECs to make investments in rural areas that could arise from efforts to reform intercarrier compensation and the USF. The MTA agrees with the MIC’s statements regarding this impact and on the importance of the Commission taking appropriate steps to minimize such adverse impacts. The MTA also notes that these impacts would apply to all carriers that provide wireline service to primarily rural areas, including mid-sized ILECs and CLECs, and irrespective of the regulatory categorization of those carriers. The MTA respectfully suggests that the Commission should carefully consider these impacts on all carriers serving rural areas when it makes its determinations relating to reform of intercarrier compensation and the USF.

The MTA also joins with the MIC and other parties who have suggested that it is both appropriate and essential for the Commission to prioritize the reform changes that it may choose to implement. The number and complexity of the issues confronting the Commission, in combination with the range of opinions on those issues and their economic significance, underscores that need for the Commission to take measured steps, even if a full solution to all problems may not be feasible in a single order. The MTA further submits that it would be preferable to make significant progress on some issues (even if less than all issues) than to cause severe and unintended harm or to allow the scale and range of issues (and the litigation that is almost certain to result) to prevent progress on any issues.

The MTA appreciates this opportunity to provide these Reply Comments.

Respectfully submitted,

MINNESOTA TELECOM ALLIANCE

A handwritten signature in black ink, appearing to read "Randall Young", is written over a horizontal line that extends across the page.

By: Randall Young  
Its: Executive Director