



**OPASTCO**

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October 28, 2009

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

***Ex Parte* Notice**

**Re: A National Broadband Plan for Our Future  
GN Docket No. 09-51**

**High-Cost Universal Service Support  
WC Docket No. 05-337**

**Universal Service Contribution Methodology  
WC Docket No. 06-122**

**Federal-State Joint Board on Universal Service  
CC Docket No. 96-45**

**Developing a Unified Intercarrier Compensation Regime  
CC Docket No. 01-92**

Dear Ms. Dortch,

On October 27, 2009, John Rose and Stuart Polikoff of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) met with Donald Stockdale, Irene Flannery, Alexander Minard, Jennifer McKee, and Katie King from the Wireline Competition Bureau. The purpose of the meeting was to discuss universal service and intercarrier compensation reform in the context of the FCC's National Broadband Plan. OPASTCO presented a broad outline for a plan for rural incumbent local exchange carrier (ILEC) service areas that would enable the ongoing achievement of affordable, ubiquitous high-speed broadband services in these territories. The major components of the plan are as follows:

- Create a new Universal High Speed Broadband Fund, which would support the major components of providing high-speed broadband service – last-mile loops costs, middle-mile transport costs, and access to the Internet backbone.
- The plan would support one fixed technology high-speed network provider in each rural service area. It also allows for one mobile wireless provider in each area to be supported. Support amounts are based on a demonstration of actual costs that exceed a qualifying threshold.
- Rural ILECs can “opt-in” to the new Fund at any time during a seven-year transition period. Once a rural ILEC opts in, all high-cost support is received via the new Fund. At the time of opt-in, a rural ILEC would immediately begin receiving the support amount that they were presently receiving from the existing mechanisms, as a starting point. Those ILECs choosing not to opt in immediately continue to receive support through the existing mechanisms.
- All intercarrier compensation (ICC) rates transition down to zero over seven years, and the ICC revenues that rural ILECs are receiving at the time they opt in would gradually transition into the support received from the new Fund, as the ICC rates are reduced.
- At the end of the seven year transition period, the existing rural high-cost support mechanisms and ICC regime are eliminated, and carriers are recovering their broadband network costs through a combination of affordable end-user rates and support from the new Fund. At that time, the public switched telephone network is fully converted to a broadband network.
- All fixed technology providers receiving support through the new Fund must commit to offering broadband throughout the service area at speeds that are at least equal to the national average broadband speed, and end-user rates that are reasonably comparable to the national average rate. Support recipients must also make their network available to other retail providers on a common carrier basis and submit to quality of service oversight.
- The Low Income program is expanded to support broadband Internet access service for qualifying consumers.
- Contributions to all Universal Service Fund programs, including the new High Speed Broadband Fund, is to be based on a combination of working telephone numbers and public network connections, including all broadband connections in service, regardless of technology.

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

Sincerely,

Stuart Polikoff  
Vice President – Regulatory Policy and Business Development  
OPASTCO

cc: Donald Stockdale  
Irene Flannery  
Alexander Minard  
Jennifer McKee  
Katie King