

## Alaska Telephone Association

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April 2, 2010

Hon. Mark Begich  
825 Hart Building  
Washington, DC 20510

Hon. Lisa Murkowski  
709 Hart Building  
Washington, DC 20510

Hon. Don Young  
2111 Rayburn Building  
Washington, DC 20515-0201

RE: National Broadband Plan

Dear Senators Begich and Murkowski and Congressman Young:

As telecommunications service providers to the most rural communities in the nation, the members of this association, while recognizing the complete dearth of detail in the National Broadband Plan (“NPB” or “the Plan”), have significant concerns with its general disregard for rural Americans. Perhaps most disturbing is the cavalier transition of the “legacy” high-cost component of the universal service fund (\$4.6 billion) to the Connect America Fund (“CAF”) touted to bring “affordable 100 megabits to 100 million households.” Does anyone believe that rural residents will be among the “100 squared?” In spite of the 1996 Act promising that consumers in rural, insular, and high-cost areas would have comparable services at reasonably comparable rates to urban areas, the NBP aims to shift high-cost support from rural to urban areas exacerbating the digital divide.

Other than reform of the identical support rule for CLECs, the NPB offers no indication that there is a rational basis for the size of the high-cost fund, but, in fact, that is the audited amount required to provide comparable services at affordable rates in high-cost areas. It is not simply a pot of money that can be shifted to another purpose without detriment. Further examination will also show that the independent telecommunications company recipients of high-cost support have invested in upgraded networks. The support has been used for its intended purpose! Universal service is a nationally successful policy and the NBP proposes to change that.

The Plan proposes a ten-year transition of high-cost USF to the CAF. Loans for infrastructure investment in high-cost areas are rarely for periods shorter than that duration. What incentive is there for a provider to make investments with the certainty of insufficient revenue streams during the life of the debt? Why would a lender make such a loan at any reasonable rate?

Finally, in all 360 pages of the Plan, there is not a single mention of carrier of last resort (“COLR”). COLR is the responsibility placed upon one provider in each service area to offer affordable access to every customer. As in every service area there are customers, due to terrain or distance, whose costs to serve are higher than the median, it is the policy – the social contract – of COLR that prevents those customers from being left off the network based on the provider’s determination of cost efficiency. If support is to be transitioned away over a ten-year period, is the responsibility of COLR also transitioned? And if it is, universal service is gone! As Dr. Dale Lehman asked in his paper in July 2000, *Who Will Serve Rural America?*

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Rowe", with a long horizontal flourish extending to the right.

Jim Rowe

cc: Hon. Julius Genachowski  
Hon. Michael J. Copps  
Hon. Robert M. McDowell  
Hon. Mignon Clyburn  
Hon. Meredith Attwell Baker