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ASSOCIATION OF MUNICIPAL
UTILITIES

Via Electronic Filing

August 12, 2011

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20544

Re: Written Ex Parte Communication-Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, the Iowa Association of Municipal Utilities ("IAMU") hereby files this written *ex parte* communication in response to the Notice of Proposed Rulemaking ("NPRM") pending in the above the above-referenced proceedings.

In the NPRM, the Commission recognized that many municipalities have taken an active role in supporting the deployment of broadband. In no other state has that role been more active than in Iowa. The State of Iowa has established a proactive statutory framework that has reduced barriers to entry by municipal telecommunications providers.¹ As a result, over two dozen rural

¹ 1999 Iowa Acts Ch. 63, Iowa Code Section 388.10

communities have held public referendums and constructed broadband systems for their citizens. In many other communities that have not chosen to actually deploy municipal broadband networks, the very threat of potential municipal entry has forced incumbent providers to improve the level of service they provide. The Iowa municipal business model, to date, has been one of remarkable success.

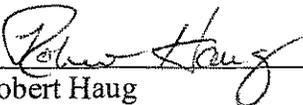
IAMU continues to agree with the NPRM's determination that community-owned networks can play an important role in achieving increased broadband deployment and adoption. However, with the proposed reform of intercarrier compensation and the resulting reduction and eventual elimination of access revenues, the municipal business model faces major disruptions. These disruptions threaten the ability of municipal utilities to continue proactively address the broadband needs of the communities they serve.

IAMU urges the Commission to establish a priority or preference for funding for municipal utilities in states such as Iowa that have taken a more active role in supporting broadband or have established a high-cost program. The CAF funding directed to the municipal utilities providing broadband service will assist in offsetting the revenue reductions caused as a result of the ICC reform efforts, and allow these municipal providers to continue providing broadband services in the communities that have invested in municipal systems. The proposed reforms should not abandon the universal service principles articulated in 47 U.S.C. § 254. The Commission must ensure rural consumers have reasonably comparable access to advanced telecommunications and information services at reasonably comparable rates. Much like the need for recovery mechanisms proposed for rate-of-return carriers, adoption of a similar recovery mechanism for Iowa's municipal utility providers will provide the necessary mechanisms for these carriers to continue to provide telecommunications and information services to their communities in an environment of reasonable certainty and stability.

IAMU urges the Commission to adopt a transition revenue recovery mechanism for the Iowa municipals that mirrors the recovery mechanism proposed for rate-of-return carriers and to adopt long-term reform proposals that ensure adequate recovery and also minimize the prospect of the municipal business model failure as a result of lost intercarrier compensation revenue.

IAMU respectfully submits this *ex parte* and appreciate the Commission's consideration. We look forward to continued participation in the NPRM proceedings.

Sincerely,



Robert Haug
Executive Director
Iowa Association of Municipal Utilities