



OPASTCO

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Washington, DC 20036

November 30, 2009

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th 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**

**Lifeline and Link Up
WC Docket No. 03-109**

Dear Ms. Dortch,

On November 30, 2009, Mark Gailey of Totah Communications, Inc., and John Rose and Stuart Polikoff of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) had three meetings at the FCC. The first meeting was with Christine Kurth from Commissioner McDowell's office. The second meeting was with Christi Shewman from Commissioner Baker's office. The third meeting was with Rick Kaplan from Commissioner Clyburn's office. The purpose of all three meetings 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 all of the major network components of providing high-speed broadband service – last-mile loop costs, second mile transport costs, middle-mile transport costs, and access to the Internet backbone. Both capital expenditures and ongoing operational expenses would be eligible for support.
- 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 would 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. Rural ILECs may also elect to immediately reduce their ICC rates to zero at the time they opt in.
- At the end of the seven year transition period, the existing rural high-cost support mechanisms and ICC regime are eliminated, and carriers would be 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 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, would be based on a combination of public network connections and working telephone numbers, including all broadband connections in service, regardless of technology.

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

Sincerely,

Stuart Polikoff
Vice President – Regulatory Policy and Business Development
OPASTCO

cc: Christine Kurth
Christi Shewman
Rick Kaplan