

Congress of the United States

Washington, DC 20515

February 17, 2012

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USF-CAF
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The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Connect America Fund
A National Broadband Plan for Our Future
Establishing Just and Reasonable Rates for
Local Exchange Carriers
High-Cost Universal Service Support
Developing a Unified Intercarrier
Compensation Regime
Federal-State Joint Board on Universal
Service
Lifeline and Link-Up
Universal Service Reform-Mobility Fund

WC Docket No. 10-90
GN Docket No. 09-51

WC Docket No. 07-135
WC Docket No. 05-337

CC Docket No. 01-92

CC Docket No. 96-45
WC Docket No. 03-109
WT Docket No. 10-208

Dear Chairman Genchowski:

We are writing to highlight the comments submitted by the Copper Valley Telephone Cooperative, headquartered in Valdez, Alaska, that were filed with the commission on January 17, 2012. While we also share some concerns expressed by other organizations regarding the proceedings listed above, we would appreciate your particular consideration of those expressed by Copper Valley.

Alaska presents unique challenges for telecommunications service providers. The state has several carriers with small rates of return that operate in rural areas. These carriers serve extremely sparse and isolated populations in some of the most remote communities in the nation. These carriers contend with a lack of roads, difficult topography, and the harshest climate in the country. As a result, these carriers' existing investments in telecommunications and their plans for future investments are critical for Alaskans.

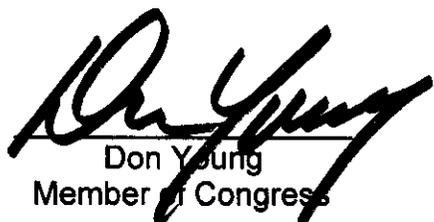
We have heard from Copper Valley and other rural telecommunications providers regarding Universal Service reforms detailed in the FCC's notice of proposed rulemaking (NPRM) released late last year. Comments filed on January 18 by the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance examine the FCC's application of quantile regression analysis. We urge you to strongly consider the observations of Dr. Roger Koenker, the creator of the quantile regression analysis, as outlined in Exhibit E of the filing. Additionally, Copper Valley raises a number of pertinent issues with the most recent high cost NPRM regarding the legal standing of

creating regression caps that apply to existing capital investment. Such ratemaking should clearly reflect the principles codified in the Telecommunications Act of 1996.

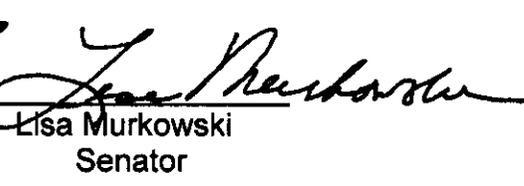
Accordingly, we urge the FCC to take into consideration Alaska's unique situation when applying statistical modeling techniques, including the proposed quantile regression analysis. Exempting Alaska-based carriers from the modeling may be an appropriate solution, and we welcome a discussion on this issue. However, if this exemption is not possible, the Commission should delay by two years planned implementation of all recently adopted rules for all carriers in rural Alaska, including CETCs and ILECs, to provide additional time to fully understand the impact on their ability to provide advanced services to residents. Often, it is more difficult for metrics to fairly take into account the obstacles faced by rural carriers. Additional time would provide for a more thorough assessment of the NPRM's impact on high cost carriers in Alaska and allow the carriers to adequately prepare for the new regulations.

Thank you for taking the time to consider Copper Valley's comments and the concerns of carriers in Alaska. Should you have any questions or would like any additional information, please contact Jason Suslavich with Congressman Don Young at (202) 225-5765 or jason.suslavich@mail.house.gov, Jeremy Price with Senator Lisa Murkowski at (202) 224-6665 or jeremy_price@murkowski.senate.gov, and Andrea Sanders with Senator Mark Begich at (202) 224-3004 or andrea_sanders@begich.senate.gov.

Sincerely,


Don Young
Member of Congress


Mark Begich
Senator


Lisa Murkowski
Senator

CC: Commissioner Clyburn
Commissioner McDowell