



April 25, 2007

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Commissioner Deborah Taylor Tate
Chair, Federal-State Joint Board on Universal Service
Federal Communications Commission
445 12th Street, SW, Room 8-A204
Washington, DC 20554

Commissioner Ray Baum
State Chair, Federal-State Joint Board on Universal Service
Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
P.O. Box 2148
Salem, OR 97308-2148

**RE: WC Docket No. 05-337
CC Docket No. 96-45**

Dear Commissioner Tate and Commissioner Baum:

The Western Telecommunications Alliance (“WTA”) vigorously supports the proposal submitted by AT&T on March 22, 2007, in the referenced proceedings for interim stabilization of high-cost support mechanisms.

As a trade association representing approximately 250 rural telephone companies operating west of the Mississippi River, WTA is very familiar with the difficulties and costs of serving the Rural West, and with the need for stable, predictable and sufficient high-cost support mechanisms to enable its members to continue making the investments necessary to provide quality and affordable telecommunications services.

AT&T’s interim stabilization plan properly focuses upon the skyrocketing portable competitive eligible telecommunications carrier (“CETC”) support that Chairman Martin and others have identified as the predominant cause of the recent growth in the Universal Service Fund (“USF”). While high-cost support for rural telephone companies has been capped for more than a decade and has been decreasing during recent years, portable support for CETCs has never been capped and has been mushrooming at a rate of 96 percent compound annual growth since 2002.

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AT&T's proposal to place a targeted cap upon the industry sector most responsible for recent USF growth is reasonable, effective and equitable. Its proposed one-year moratorium on grant of new CETC applications will slow the designation of the second, third, fourth or other additional CETCs to receive support for the same outlying suburban and rural population centers. Its proposed targeted one-year freeze on the number of lines for which wireless CETCs may recover portable support will slow the pernicious workings of the identical support rule that enable wireless CETCs to obtain per-line wireline support bearing no relation to their own costs for two, three, four or more related or unrelated wireless subscribers residing at the same address.

AT&T's proposal for a 25 percent reduction in access charge replacement support that CETCs currently receive as part of their portable support is also reasonable and equitable, as well as long overdue. The Local Switching Support ("LSS"), Interstate Common Line Support ("ICLS") and Interstate Access Support ("IAS") mechanisms were designed solely and specifically to replace access charge cost recovery that was eliminated in various access reform proceedings. Wireless and other CETCs that never assessed or relied upon access charges should not receive windfall increases in their portable USF support as a result of access reform proceedings that were irrelevant to their revenue streams. Moreover, it is time for the Joint Board and the FCC to rethink the rationale and impact of "competitive neutrality," and to recognize that wireline and wireless services are far more complementary than competitive in that substantial majorities of residential and business customers subscribe to both wireline and wireless services rather than choosing one over the other.

WTA strongly urges the Joint Board to recommend, and the FCC to adopt and implement, AT&T's interim stabilization plan as soon as practicable.

Respectfully submitted,
WESTERN TELECOMMUNICATIONS ALLIANCE

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