



FOR IMMEDIATE RELEASE
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OPASTCO AND WTA ANNOUNCE MAJOR RURAL GAINS ACHIEVED IN FCC REFORM PLAN

Associations Applaud Chairman Martin's Care for Rural Carriers and Their Customers

*New, Vastly Improved Plan Offers Stable Revenue Flow to Rural Carriers
For At Least Five Years*

WASHINGTON – The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA) today announced that they have achieved major improvements in the proposed comprehensive intercarrier compensation and universal service reform plan scheduled to be acted on by the Federal Communication Commission on November 4. Since the draft proposal was first presented to the full Commission by FCC Chairman Kevin Martin, the two organizations had been working together on a daily basis to make positive modifications to the reform plan. In addition to meeting twice with each commissioner's office and with the Wireline Competition Bureau, the organizations had numerous direct conversations with Chairman Martin, including a final conference call directly before the vote period began. Concessions gained by the close of these discussions include:

- Ensuring all rural carriers that are rate-of-return (RoR) regulated in the interstate jurisdiction automatically qualify for recovery of revenues associated with decreases in access rates;
- Ensuring all RoR carriers are able to recover revenues due to decreases in minutes of use (MOU) and access lines over the next five years;
- Ensuring rural carriers are not financially responsible for transporting local calls beyond the boundaries of their local service areas;
- Allowing for automatic exceptions for the use of satellite to meet broadband build-out requirements;
- Allowing rural carriers who have made large broadband network investments in 2007 and 2008 to recover their investments. -more-

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“I am pleased and impressed with FCC Chairman Martin’s genuine concern that the reform plan not unintentionally harm rural America,” OPASTCO Chairman Keith Oliver stated. “The Chairman welcomed constructive input to ensure rural subscribers were not adversely impacted by the reform.”

“The plan, as modified, is beneficial to rural subscribers and allows a stable revenue flow for at least five years for small incumbent companies that serve rural America,” WTA’s Executive Vice-President Kelly Worthington stated. “While no plan will ever be perfect, these negotiated alterations make it a better plan for rural America than the one originally proposed.”

In addition to the concessions listed above, the plan, as initially presented, contained several rural friendly provisions, including positively addressing phantom traffic and eliminating the identical support rule. The plan allowed rural ROR carriers the ability to recover access revenues lost as a result of rate reduction through a supplemental recovery mechanism. The plan also designated rural RoR carriers as the default broadband carrier of last resort and established the traditional telephone study area as the broadband support area.

The associations believe that although the plan is not perfect and there are aspects of it both associations would have liked to change, on balance the plan offers consideration to the unique problems associated with serving high cost rural America. OPASTCO and WTA look forward to working with the commission staff to develop the detailed rules that will be required to implement this plan if it gains full commission approval.

A joint ex parte notice for an October 28, 2008, conference call with the associations, telephone company representatives, and the FCC accompanies this press release.

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Note to Editors:

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) represents nearly 600 small, independently owned, local telecommunications companies serving primarily rural areas of the United States and Canada. OPASTCO membership includes both commercial companies and cooperatives, which range in size from fewer than 100 to 100,000 access lines, and collectively serve more than 5.5 million customers. OPASTCO represents rural telecommunications interests before federal regulatory bodies and Congress, provides publications, and holds two conventions annually in January and July of each year, addressing the needs of the small telecommunications industry. The association has an affiliate 501(c)(3) nonprofit, the Foundation for Rural Education and Development (FRED). Visit the OPASTCO Website at www.opastco.org.

The Western Telecommunications Alliance (WTA) represents more than 250 rural telephone companies in 24 states west of the Mississippi. Most members serve fewer than 3,000 customers overall, and fewer than 500 customers per exchange. The Western Telecommunications Alliance aims to unite a diverse industry to deliver influence in the western states and in Washington, D.C., that reflects our member importance in providing high quality telecommunications services for rural Americans. Visit the WTA Web site at www.w-t-a.org.