

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of:	)	CC Docket 01-92
	)	
Federal Communications Commission	)	
	)	
	)	
Missoula Intercarrier Compensation	)	
Reform Plan	)	
	)	
	)	

**REPLY COMMENTS OF THE IOWA UTILITIES BOARD(Board)**

On July 25, 2006, the Federal Communications Commission (FCC) released a notice, seeking comment on an intercarrier compensation reform plan (the “Missoula Plan”) filed July 24, 2006 by the National Association of Regulatory Utility Commissioners’ Task Force on Intercarrier Compensation (NARUC Task force). Initial comments were filed by the Board on October 25, 2006.

The Board is encouraged by the continuing work of the supporters of the Missoula Plan. The work is far from over and further development must take place. While progress is being made on how the dollars from the Restructure Mechanism will be appropriated, the Board still has reservations around the appropriate funding mechanism, as described in the Board’s initial comments.

In previously filed comments (attached CC Dockets 01-92, 05-205), the Board has weighed in on the necessity to start the reform process of intercarrier compensation by first fixing the phantom traffic problem, and then addressing universal service contribution mechanisms. The Board wishes to reassert that this would be an appropriate starting point.

### CONCLUSION

The Iowa Utilities Board respectfully submits these comments for the Federal Communication Commission's consideration regarding its review of the NARUC Task force's plan regarding intercarrier compensation reform (the Missoula Plan).

submitted,

Respectfully

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Telecommunications

John Ridgway  
Manager –

January 26, 2007

**ATTACHMENT A**  
**IOWA UTILITIES BOARD COMMENTS**  
**ON PHANTOM TRAFFIC**

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of:	)	CC Docket 01-92
	)	
Federal Communications Commission	)	
	)	
	)	
Missoula Intercarrier Compensation	)	
Reform Plan	)	
	)	
	)	

**COMMENTS OF THE IOWA UTILITIES BOARD**

On November 8, 2006, the Federal Communications Commission (FCC) released a notice, seeking comment on a proposed interim process for addressing phantom traffic. This process was filed by supporters of the intercarrier compensation reform plan (the “Missoula Plan”) filed July 24, 2006 by the National Association of Regulatory Utility Commissioners’ Task Force on Intercarrier Compensation (NARUC Task force).

The Iowa Utilities Board supports a concept that resolves the problems associated with phantom traffic. It is imperative that an originating carrier responsible for paying intercarrier compensation, do so in a uniform manner and that enforcement measures, such as FCC assessed forfeitures, FCC awarded damages, and special interconnection obligations for chronic violators, are in place. The Iowa Utilities Board urges the FCC to adopt the interim process proposed.

**CONCLUSION**

The Iowa Utilities Board respectfully submits these comments for the Federal Communication Commission’s consideration regarding its review of the Phantom Traffic Interim Process filed by the supporters of the intercarrier compensation reform (the Missoula Plan).

submitted,

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Telecommunications

Respectfully

John Ridgway  
Manager –

**ATTACHMENT B**  
**IOWA UTILITIES BOARD**  
**INITIAL COMMENTS REGARDING**  
**UNIVERSAL SERVICE**

October 25, 2006

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of: ) CC Docket 05-337  
 )  
Federal-State Joint Board on Universal Service) )  
 )  
Merits Of Using Auctions To Determine High )  
Cost Universal Service Support )  
 )  
 )

**COMMENTS OF THE IOWA UTILITIES BOARD**

August 11, 2006, the Federal-State Joint Board (Joint Board) on Universal Service issued a public notice seeking comments on the merits of using reverse auctions (competitive bidding) to determine high cost universal support.

The Iowa Utilities Board (IUB) submits the following comments regarding the Public Notice. The IUB supports the efforts of the Joint Board and encourages the Joint Board to continue to search for solutions to revise high cost universal service funding. Limiting the number of supported providers within a given study area appears to be a worthwhile step. However, it appears more attention should be given to the impact that approach might have on rural areas. On the one hand, rural exchanges may represent the type of service territory where it makes the most economic sense to support only one network and an auction may incent carriers to seek operational efficiencies in serving the area. On the other hand, existing incumbent networks have been constructed (sometimes at relatively high per-customer cost) in reliance upon continued receipt of universal service support. If that support were to suddenly be re-directed to another network based upon competitive bids, the existing universal service "investment" in the incumbent network could be lost.

As a part of the reverse auction process, the Joint Board proposes a number of new obligations for state public utility regulatory commissions, including

conducting the auctions, selecting the winning bid, ongoing contract administration, and applying sanctions, if necessary. The IUB would welcome the opportunity to be an integral part of the process. Indeed, those responsibilities would be best served at the state level. However, the IUB notes that while the effort and process would reside here, none of the revenues would remain with the state commissions to pay the costs associated with those responsibilities. Those costs can be expected to be significant, when considered in terms of a state commission's budget. State commission cost recovery is an issue that should be addressed if state commissions are to be assigned the responsibilities described in the proposal.

### CONCLUSION

The Board respectfully submits these comments for the Joint Board and encourages them to continue to research the most appropriate methods for determining high cost universal support.

submitted,

Respectfully

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Telecommunications

October 10, 2006

John Ridgway  
Manager –