

## ***Advocacy Urges FCC to Consider Small Business Impact When Evaluating Intercarrier Compensation Plan***

On October 25, 2006, the Office of Advocacy (Advocacy) filed a comment with the Federal Communications Commission (FCC) in response to 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. Advocacy believes that the Missoula Plan will have a significant economic impact on small telecommunications carriers and urged the FCC to give careful consideration to the impact information and alternatives presented by small entities. A complete copy of Advocacy's letter may be accessed at <http://www.sba.gov/advo/laws/comments/>.

- The Missoula Plan takes steps to unify the compensation rates for a vast majority of carriers and reduce intercarrier compensation rates to three tracks. Advocacy supports the plan's goal of unifying compensation rates while preserving flexibility for small carriers. However, Advocacy believes that similarly situated carriers should be treated alike under the regulations.
- The Missoula Plan requires carriers to allow other carriers to interconnect at the edge of the network but still allows carriers flexibility to enter into public or private peering arrangements for Internet Protocol traffic. Advocacy supports these elements, but believes that the Commission should address special access interconnection in its revised intercarrier compensation regime.
- The Missoula Plan makes changes to a number of universal service mechanisms and creates a "Restructure Mechanism" during the transition period. The restructure mechanism makes up for any shortfall in revenues recovered. Advocacy believes that any revision of the universal service system done in conjunction with intercarrier compensation reform must make universal service technologically neutral and available to all classes of carriers.
- The Regulatory Flexibility Act and Executive Order 13272 require Federal government agencies to analyze the impact of proposed and final rules on small entities and consider less burdensome alternatives. The initial analysis should be done at the same time as the proposed rule and should be issued concurrently with the proposal.

For more information, visit Advocacy's website at <http://www.sba.gov/advo/> or contact Eric Menge at (202) 205-6533.