

OPASTCO 411

VITAL INFORMATION FOR OPASTCO MEMBERS ABOUT
THEIR INDUSTRY AND THEIR ORGANIZATION



OPASTCO

ORGANIZATION FOR THE PROMOTION
AND ADVANCEMENT OF SMALL
TELECOMMUNICATIONS COMPANIES

Allen Introduces Broadband Tax Incentives Bill in House

Rep. Tom Allen (D-Maine) recently introduced H.R. 5682, the Rural America Communication Expansion for the Future Act. The legislation would make qualified broadband expenditures to provide services in rural and underserved areas eligible for treatment as deductions. Qualified equipment includes equipment that extends from the last point of switching to the end-user's premises; packet switching equipment used to transmit signals to subscribers; and multiplexing and demultiplexing equipment located between packet switching equipment and the subscriber's premises. Rural areas would be defined as areas with population densities of fewer than 500 people per square mile that are not within 10 miles of any census designated areas containing more than 25,000 people. Underserved urban areas would include empowerment zones as defined by the Treasury Department or any census tract where the poverty level is at least 30 percent. Eligible service providers include telcos, cable companies, wireless service providers and satellite service providers. The bill would prohibit federal and state agencies from adopting rules or ratemaking procedures that reduce the amount of the deduction.

For current generation broadband services, which includes at least 5 Mbps downstream and 1 Mbps upstream, the amount eligible for the deduction would be multiplied by the ratio of potential qualified subscribers in rural areas to the total potential subscriber population of the area.

For next generation broadband services, which includes at least 50 Mbps downstream and 1 Mbps upstream, the amount eligible for the deduction would be multiplied by the ratio of the sum of potential qualified subscribers in rural areas and potential residential subscribers to the total population of the area.

For wireless broadband services, which includes at least 5 Mbps downstream and 1 Mbps upstream, the amount of credit allowed would be limited to \$10,000.

Co-ops: The bill contains a special provision for mutual or cooperative telephone companies enabling them to reduce unrelated business taxable income by the amount of qualified broadband expenditures if the cooperative is not exempt from taxation.

Municipal Broadband: The proposal would earmark \$15 million per year each year from 2009 to 2013 to fund grants of \$75,000 to local governments to launch municipal broadband operations. A local government would need to have at least one rural or underserved area within its jurisdiction to be eligible to apply. Applicants would be required to pledge to hire and train personnel and maintain the project for at least five years. Service speed requirements would be the same as for current generation broadband services.

Farm Bill Reforms: The measure would reform the Farm Bill's eligibility requirements for broadband loans. The definition of eligible community would be changed to include any community that is not included within the boundaries of any city, town, borough, or village with more than 40,000 people. The definition of incumbent service providers would be changed to include any service provider offering service to at least five percent of households in the service area proposed in the application. Areas with the fewest incumbent providers present would receive priority treatment.

APRIL 8, 2008

OPASTCO NEWS

QUEBEC CONVENTION, TRADESHOW, OPTIONAL TOURS REGISTRATION NOW AVAILABLE ONLINE

Online registration for OPASTCO's 45th Annual Summer Convention, which will be held July 12-16 in Quebec City, is now available.

Exhibitor registration for the Tradeshow, which will be held July 15 from 12:30 to 3:30 p.m., is also available online.

Optional tours available for Quebec include the Discover Quebec Historical Tour, the Antique and Art Walking Tour, the Typical Dinner at the Sugar Shack, Quebec's Countryside Charms Tour, the Island of Orleans Tour, the Amerindians Tradition Tour, the Shopping in Quartier Petit-Champlain Tour, and the Whale Watching Excursion.

For registration information, visit <http://www.opastco.org/site/meetings/summer/>.

L&R CONFERENCE ONLINE REGISTRATION NOW AVAILABLE

The 2008 OPASTCO/WTA L&R Conference will be held in Washington, D.C., May 19-21. Join fellow rural carriers as they make themselves heard to policymakers and share the rural perspective on the telecom industry.

To register for the event online, visit www.opastco.org/site/meetings/legislative.

Community Connect Reforms: The bill would reform the RUS Community Connect Grant program to prioritize grants that offer community access to telemedicine and distance learning programs.

Comprehensive Rural Broadband Plan: The proposal would instruct the Department of Agriculture to develop a comprehensive rural broadband deployment strategy to identify how existing federal resources should be used and to promote deployment strategies that state and local governments can adopt.

To view the bill text, visit http://thomas.loc.gov/home/gpoxmlc110/h5682_ih.xml.

FCC Open Meeting Set for Thursday

On April 10, the FCC will hold an open meeting at its headquarters in Washington, D.C. The meeting will address 911 call forwarding requirements and wireless carriers' blocking options for non-initialized handsets; implementing the Warning, Alert and Response Act (411, Sept. 27, 2005); and TracFone's Universal Service Fund (USF) eligible telecommunications carrier (ETC) applications for Lifeline program support to offer wireless services in several states.

For more information, visit http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-281313A1.pdf.

Baucus, Grassley Address Estate Tax Reform

Sen. Max Baucus (D-Mont.) recently issued a statement on estate tax reform. Baucus said that current law causes planning difficulty for consumers because the rules are set to change each year from 2008 to 2011. He said that reform proposals should address the exemption for couples allowing a spouse to transfer remaining credit to the surviving spouse; combining gift and estate taxes into a single unified credit; and charitable giving under transfer taxes. To view Baucus' statement, visit <http://finance.senate.gov/hearings/statements/040308mb.pdf>.

Sen. Charles Grassley (R-Iowa) also released a statement on the issue. Grassley said that Congress should make changes to offer consumers simplicity when settling their estates. He said that simplifying the law would free up resources that can be invested to fuel economic growth. To view Grassley's statement, visit <http://finance.senate.gov/hearings/statements/040308cg.pdf>.

FCC Grants VoIP Providers Extension to Comply With 711 TRS Call Routing Rules

The FCC recently granted voice over Internet protocol (VoIP) service providers an extension until March 31, 2009, to route 711-dialed calls to an appropriate telecommunications relay service (TRS) relay center, but only for 711-dialed calls in which the caller's telephone number may not reflect geographic location, such as when non-geographically relevant telephone numbers of nomadic VoIP services are used.

TRS service providers were given an extension until March 31, 2009, to implement a system to automatically and immediately call an appropriate public safety answering point (PSAP) when receiving an emergency 711-dialed call via an interconnected VoIP service.

For more information, visit http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-08-821A1.pdf.

Kovacic Becomes FTC Chairman

On March 31, William Kovacic became Chairman of the Federal Trade Commission (FTC). Kovacic had served as an FTC Commissioner since January 2006. Prior to joining the FTC, Kovacic served as a law professor. For more information, visit <http://www.ftc.gov/opa/2008/03/kovacic.shtm>.

RESERVE A TABLE ON FRED'S DINNER CRUISE

FRED's Dinner Cruise will take place on July 15 aboard the majestic Louis-Joliet as it cruises along the Saint Lawrence River. The spacious ship has three levels for dining, plus one large exterior terrace that covers the whole stern. The cruise will feature breathtaking views of Orleans Island, Montmorency Falls, and Château Frontenac with the Laurentian Mountains in the background. The event offers fun for the entire family, including children who will enjoy the kiddy corner's games, art projects and other fun activities.

This event is expected to be incredibly popular, and it may be difficult to find seating for large groups. Avoid standing in line or splitting up your group by signing up now for a reserved table for your family, clients or friends. For a tax-deductible donation of \$500, you can reserve a table for 10 people in a prime location during the event.

To reserve your table today, visit <http://www.fred.org/reservedtables.html>.

REMINDER: FRED "TAXES" DUE APRIL 15

FRED "tax" season is upon us, and forms have been sent to OPASTCO members. This fundraising campaign pokes a little fun at Uncle Sam while raising awareness for FRED programs. Funds generated will benefit FRED's scholarship and other programs that support rural OPASTCO communities. "Tax" donations are due by April 15th.

To view the telco member form, visit <http://www.fred.org/pdfs/Telco%20Member%20Taxes%202008.pdf>.

To view the associate member form, visit www.fred.org/pdfs/Associate%20Member%20Taxes%202008.pdf.