



**OPASTCO**

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Contact: Caroline O'Reilly

202/659-5990, [cao@opastco.org](mailto:cao@opastco.org)

## **OPASTCO 47th ANNUAL WINTER CONVENTION CHARTS COURSE TO NEW IP WORLD**

*First General Session Features Exciting Discussions about the Industry's Future,  
FCC Commissioner Clyburn and USDA RUS Administrator Adelstein  
Offer Paths to Increased Rural Broadband Availability*

SAN DIEGO – The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) today held the First General Session of its 47<sup>th</sup> Annual Winter Convention, at the Hotel del Coronado in Coronado, Calif. Close to 500 registrant and guest attendees are on hand for four days of networking and gaining an inside track on how to guide rural telecommunications toward its next era of success in an Internet protocol (IP)-centered industry.

The agenda for the First General Session included a panel discussion on OPASTCO members' transition to IP; FCC Commissioner Mignon Clyburn; USDA Rural Utilities Service (RUS) Administrator Jonathan Adelstein; guest speaker Steve Shepard of Shepard Communications Group; and keynote speaker Scott Marcus, sponsored by Rural Telephone Finance Cooperative (RTFC). This winter's agenda is made possible by the generosity of the convention's Premier Sponsors: Platinum Sponsor CoBank; Gold Sponsor RTFC; and Bronze Sponsors Ericsson and John Staurulakis, Inc. (JSI).

Guest speaker Steve Shepard, president of Shepard Communications Group, was first on the agenda and started the meeting off with a high-energy, thought-provoking look at where the telecommunications industry is headed. Addressing the inherent changes in a transition to IP and how OPASTCO members must be prepared to make the change with it, Shepard explained "You can have some of the money, or none of the money." Shepard's presentation covered the diverse ways IP is both good for the customer and beneficial to the carrier, and looked at the largest demographic of telecommunications use, the Millennials, their demands as consumers, and how the core-to-edge delivery model of today is quickly turning into the edge-to-edge delivery model of tomorrow. OPASTCO members listened intently as Shepard explained the world where Web. 3.0 and Telco 2.0 meet: "You've got to give up control to gain control."

FCC Commissioner Mignon Clyburn provided great synergy to Shepard's presentation as she outlined her thoughts on how the Universal Service Fund must be reformed to meet rural America's broadband needs. "You may have heard that Chairman Genachowski appointed me as Chair of the Federal-State Joint Board on Universal Service. That role will allow me to work closely with my colleagues at the Commission and with my former State colleagues to ensure the viability and relevance of the Universal Service

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Fund.” Clyburn went on to explain, “Everyone agrees that the Universal Service Fund is in dire need of an overhaul. But as part of that reform, I believe strongly that the Fund must be recalibrated to support both voice and broadband services. This especially holds true for those high-cost rural areas in the country where the prospects for broadband deployment would otherwise be bleak. It is worth noting that we estimate that millions of U.S. households do not have access to broadband services and that is unacceptable.”

USDA Rural Utilities Service (RUS) Administrator Jonathan Adelstein broke the news at OPASTCO’s convention that the RUS was that day announcing an additional \$309 million in first-round broadband stimulus projects that were approved for funding. Of the 14 projects announced, OPASTCO members include TDS’ Butler Telephone Co., Rural Telephone Service Company, and NTelos. “We’ve only just begun to announce awards,” explained Adelstein, who stated that more Round One awards would be announced mid February. Adelstein also announced that Feb. 16 is the day that the window will open for the second round. “The second round is really the big one. We will be giving out twice as much in the second round than we did in the first. I encourage folks that don’t receive Round One funding to reapply for Round Two.” The RUS Administrator also announced the significant number of improvements the RUS has made to the application process, making it more streamlined, easier to apply and more flexible.

Keynote Speaker Scott Marcus of WIK Consult in Germany provided a fascinating and data-rich look at the economics, interconnection, consumer trends and technology trends that differ between Europe and the United States, and how all of these factors affect how these respective telecommunications industries will fare in the migration to IP. Marcus’ bottom line message for carriers everywhere was that “the Migration to IP poses regulatory and commercial problems. Waiting for regulation to be corrected to keep with the transition will be ineffective.”

OPASTCO President John Rose, 2009 Chairman Mark Gailey of Totah Communications and 2008 Chairman Keith Oliver of Home Telephone presented the second of a series of panels on the Transition to IP. Rose outlined OPASTCO’s plan for universal service reform and a government-mandated plan for transitioning to an all-IP network. Rose also discussed content, applications and devices, and how these three areas of telecommunications would affect the future of our industry. Gailey emphasized the need for OPASTCO members to ensure they have enough broadband capacity and that they support home networks. “My customers want ease of use and more bandwidth. They don’t want to watch ‘Big Bang Theory’ on their mobile phones, but on something in their home.” In summing up why OPASTCO is directing its energies so strongly on the transition to IP, Oliver explained “As society changes, we have to change and OPASTCO has to change.”

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**Note to Editors:** The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) represents more than 525 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 3.5 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 Web site at [www.opastco.org](http://www.opastco.org).