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Ex Parte (via ECFS)

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

***Re: Connect America Fund*, WC Docket No. 10-90**

Dear Ms. Dortch,

In separate meetings on December 1, 2, and 3, Robert Quinn, Jr., Hank Hultquist, Cathy Carpino and I of AT&T Services, Inc. (AT&T), met with Daniel Alvarez (Chairman Wheeler); Priscilla Argeris (Commissioner Rosenworcel), Amy Bender (Commissioner O'Reilly), and Rebekah Goodheart (Commissioner Clyburn) to discuss rules to implement Connect America Fund Phase II (CAF II). In particular, we discussed the importance of including eligible telecommunications carrier (ETC) reform as part of any order adopting CAF II rules. Consistent with AT&T's prior advocacy, such reform would include limiting ETC designations and associated obligations to only those areas where a provider voluntarily elects to receive high-cost support and delinking the ETC designation from participation in the Lifeline program and making such participation voluntary.[1]

We explained how ETC obligations impose significant costs on providers and that AT&T recently quantified those costs using the Commission's own cost model.[2] We also noted that, while state commissions are statutorily required to permit an ETC to relinquish its designation in areas served by another ETC, there is no deadline for state commission action on an ETC's relinquishment notice. We thus encouraged the Commission to direct state commissions to act on such notices within a reasonable period of time similar to the Commission's proposal to require state commissions to act on CAF II ETC applications within a defined period of time.[3] Finally, we discussed how the Commission could ensure that CAF II is treated in a tax efficient manner as well as

[1] *See, e.g.*, Comments of AT&T, WC Docket No. 10-90 (filed Aug. 8, 2014).
[2] *See* Letter from Mary L. Henze, AT&T, to Marlene Dortch, FCC, WC Docket No. 10-90, at 2 (filed Nov. 19, 2014).
[3] *See Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54, ¶ 182 (rel. June 10, 2014) (proposing a rebuttable presumption that a state commission lacks jurisdiction over an ETC designation petition if it fails to act on that petition within a certain number of days).

related reporting requirements that AT&T and other price cap carriers recently proposed.[4]

If you have any questions regarding this filing please do not hesitate to contact me at (202) 457-2041.

Sincerely,

/s/ Mary L. Henze

Mary L. Henze

cc: Daniel Alvarez
Priscilla Argeris
Amy Bender
Rebekah Goodheart

[4] *See* Letter from AT&T, CenturyLink, Windstream, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed Nov. 4, 2014).