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To: Secretary, Federal Communications Commission

From: Caressa D. Bennet

Date: April 12, 2002

Re: *Ex Parte* Communication – April 11, 2002

In the Matter of An Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities; CC Docket No. 02-33

In the Matter of Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers; CC Docket 00-256

In the Matter of Federal State Joint Board on Universal Service; CC Docket 96-45

In the Matter of Developing a Unified Intercarrier Compensation Regime; CC Docket 01-92

In the Matter of Jurisdictional Separations Reform and Referral to the Federal State Joint Board; CC Docket 80-286

In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic; CC Docket 96-98

On April 11, 2002, Central Texas Telephone Cooperative, Inc. (“Central Texas”) represented by Delbert Wilson, General Manager, Jamey Wigley, Assistant General Manager, P. D. Hendrix, Board Member and its attorney, Caressa Bennet of Bennet & Bennet, PLLC, met with Jordan Goldstein, Legal Advisor to Commissioner Copps and Nguyen Vu, Legal Intern to discuss issues of concern to its survival and operation as an incumbent rural telephone company.

Central Texas discussed its concerns relative to broadband deployment using DSL and its ability to continue to recover its costs for deploying DSL to rural subscribers if the FCC were to treat the portion of the loop and the electronic equipment, including the DSLAM, as an information service. Currently, these costs are recovered from the NECA pool. As proposed in

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Docket No. 02-33, these services may be characterized as an information service and would in all likelihood not be subject to the cost recovery mechanisms currently in place. If Central Texas is unable to recover these costs, it will not be able to continue deploying DSL services and 55 percent of its subscriber base will be unable to obtain it. There are no other forms of broadband services available in this sparsely populated region of Texas.¹ Central Texas made it plain that in order to spur broadband deployment in rural areas, cost recovery mechanisms must remain in place.

Central Texas also discussed its concerns regarding access charge reform and universal service. Specifically, Central Texas argued that arbitrage of the universal service fund would prove detrimental to the long-term viability of USF. Central Texas stated that if the funds are to remain portable, those carriers seeking compensation must seek it based on their own costs, not the costs of the incumbent provider. In the best of all worlds USF should not be portable, but if it must be, it should be based on the cost of the provider. Central Texas pointed out that if the support is ported, its costs will remain the same because they are embedded in their network. Losing support to a competitor will only increase costs on a per subscriber basis and will increase the amount that Central Texas needs from the fund to continue to provide service to those not served by the competitor. Central Texas fears that USF cannot be sustained as a result of such continued pressure.

Central Texas also expressed support for the proposal to charge universal service costs on a per-line or per subscriber basis. Central Texas believes such a regime will be simpler to administer and will be more understandable for consumers.

Central Texas discussed separations reform and the glide path white paper produced by the state members of the Federal-State Joint Board. Central Texas would like to keep the status quo with respect to the separation freeze until 2005.

Pursuant to Section 1.1206 of the Commission's Rules, one copy of the letter is being electronically filed via the Electronic Comment Filing System. If you have any questions regarding this filing, please contact the undersigned at (202) 371-1500.

Sincerely,

/s/

Caressa D. Bennet,
Counsel to Central Texas Telephone
Cooperative, Inc.

cc: Jordan Goldstein, Legal Advisor (Office of Commissioner Copps)
Nguyen Vu, Intern (Office of Commissioner Copps)

¹ There are 2.34 subscribers per square mile in Central Texas' telephone service area.