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March 27, 2003

Ex Parte

Marlene H. Dortch, Secretary
Federal Communications Commission
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

**Re: Notice of Ex Parte Presentation:
Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Developing a
Unified Intercarrier Compensation Regime, CC Docket No. 01-92**

Dear Ms. Dortch:

On March 26, 2003, representatives of the members of the South Dakota Telecommunications Association (SDTA), including Rod Bowar, Rick Freemark, Chad Mutziger, Greg Oleson, George Strandell, Mark Shlanta, Mark Benton, Mark Bahnson, Vernon Brown, Randy Houdek, Gene Kroell, and Harry Thomas, Greg Dean with SDTA, and counsel for SDTA Darla Rogers and Benjamin H. Dickens, Jr., met with Matthew Brill, Senior Legal Advisor for Commissioner Kathleen Abernathy. The purpose of the meeting was to provide information concerning several regulatory issues of concern to the rural companies in the above-captioned proceedings. The issues discussed included:

- The current process for designation of multiple ETCs in rural areas must be fixed. The public interest standard should recognize the actual harm associated with multiple ETCs in rural service areas. ETCs should be subject to the same USF obligations and should not, for example, escape serving as “carriers of last resort”.
- Rules for determining level of USF distributions must account for cost of service and level of quality of service provided by carriers to eliminate windfall support in alignment with competitive neutrality principles.
- All ETCs should be subject to the same or similar reporting requirements. Action should be taken to ensure that carriers are not receiving universal service support on services that are not affordable and/or provided outside the ETC service area.

- The Commission's rules requiring USF contributions should extend to all users of the public telecommunications network and should ensure a fair level of contribution from all groups of users.

- Intercarrier compensation rules must account for the different circumstances faced by urban and rural carriers. The continued push to recover more network costs from originating carrier's end user customers does not sufficiently recognize cost characteristics of serving certain geographical areas and affordability concerns.

- Intercarrier compensation reform must ensure that all service providers using the network fairly contribute to recovery of the network costs.

- Bill-and-keep is not appropriate under all circumstances. The mechanism fails to account for the cost characteristics of providing service in rural, high cost areas.

- Intercarrier compensation rules should not force rural carriers to take on transport obligations or to deliver traffic outside of their existing service areas.

Consistent with section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we are filing one electronic copy of this notice in each of the above-captioned proceedings and request that you place it in the record of those proceedings.

Sincerely,

A handwritten signature in cursive script that reads "Benjamin H. Dickens, Jr." with a small flourish at the end.

Benjamin H. Dickens, Jr.

cc: Matthew Brill