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January 15, 2004

Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: CC Docket 96-45: Notice of *Ex Parte* Presentation

Dear Ms. Dortch:

Glen Post, Karen Puckett and John Jones of CenturyTel, Inc. and I met with Commissioner Abernathy and Matt Brill, and Commissioner Martin and Dan Gonzalez, on Monday, January 12, 2004, concerning the above-captioned docket. John Jones of CenturyTel and I met with Commissioner Adelstein and Lisa Zaina on Tuesday, January 13, 2004, also concerning the above-captioned docket. CenturyTel made the points described on the attached briefing sheet, and summarized the arguments made in its prior filings in this docket. Please direct any questions concerning this matter to me.

Very truly yours,



Karen Brinkmann

Enclosure

cc: Honorable Kathleen Q. Abernathy
Honorable Jonathan S. Adelstein
Honorable Kevin J. Martin
Matthew Brill
Dan Gonzalez
Lisa Zaina

NATIONAL STANDARDS FOR DESIGNATION OF CETCS (CC DOCKET 96-45)

CENTURYTEL, INC.

JANUARY 12, 2004

- The best way to control growth of the high-cost fund is to set rational standards for support:
 - 1 Requiring that all ETCs provide a basic level of service that meets state standards
 - 2 Requiring that supported service be offered at an affordable price, as defined by the state
 - 3 Requiring universal coverage -- service to all end-users -- in supported areas
 - 4 Designating CETCs only when the costs are found to outweigh the benefits
 - 5 Ensuring, through reporting and audits, that the support is actually used for the furtherance of universal service in the area for which it is awarded
- The FCC can impose these conditions on CETC designations *today*, and send a clear signal to carriers and the states that support must be responsibly administered
- Where states have proposed reasonable minimum standards along these lines, CMRS carriers have withdrawn applications for CETC designation, apparently unwilling to make the necessary investment to upgrade their services and extend their coverage to meet basic minimum standards for universal service
- Reasonable CETC standards can be implemented immediately with no harm to universal service or competition – customers will have the same choices they have today
- In contrast, more radical proposals to limit support – such as by freezing support upon competitive entry, or limiting support to a single connection per household – will be disruptive of existing service, provoke new arbitrage schemes, and require burdensome new regulations to implement
 - ◆ ILECs, who receive support retrospectively, will be forced to raise prices for all customers
 - ◆ New balloting or similar rules will have to be devised so customers can choose where to direct support; customer education will consume valuable resources; customer confusion will result in new waves of inter-carrier disputes and “slamming” complaints
 - ◆ ETCs will compete for limited universal service funding
- Clear national standards for CETC designations will obviate the need for such radical changes to the support mechanisms
- Clear national standards are needed today – the Commission and carriers are overwhelmed with petitions