

June 8, 2004

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: *Ex Parte* Notice

**In the Matter of Developing a Unified Inter-carrier Compensation Regime
CC Docket No. 01-92**

Dear Ms. Dortch:

Today, Scott Reiter and I of the National Telecommunications Cooperative Association met with Christopher Libertelli, Chairman Micheal Powell's Senior Legal Advisor for Wireline Competition Issues. We discussed the findings in NTCA's white paper "Bill and Keep: Is it Right for Rural America?," the data submitted by NTCA in this docket on January 6, 2004 and the attached document.

In accordance with the Commission's rules, an original and two copies of this letter are being filed with the Secretary's Office. If you have any questions, please do not hesitate to contact me at 703-351-2016.

Sincerely,

/s/ L. Marie Guillory
L. Marie Guillory
Vice President
Legal and Industry

Attachment

cc: Christopher Libertelli

Intercarrier Compensation Talking Points

FORTHCOMING PUBLIC NOTICE ON INTERCARRIER COMPENSATION

- The notice should address the data and the white paper NTCA has placed on the record.
- The notice should include an explicit examination of bill-and-keep in rural America.
- The notice should consider alternatives to bill-and-keep.
- The notice should weigh the benefits and burdens that different options impose on small rural telephone companies.
- The notice should examine the impact of bill-and-keep on the deployment of advanced services in rural areas.

NTCA DATA which should be referenced in the NPRM:

- Ex Parte on January 6, 2004 presented finding from NTCA intercarrier compensation survey. NTCA estimates the adoption of COBAK would reduce existing revenues for rural ILECs study areas under 100,000 lines by more than \$ 2 Billion.
- The smallest companies would be hit the hardest with per line impacts exceeding \$50 per line.
- The impact is uneven across companies and across states.

NTCA WHITE PAPER: "Bill And Keep: Is It Right For Rural America?"

This paper provides an overview of the bill-and-keep issue from a rural perspective. The notice should seek comment on these issues. Key conclusions reached in the paper are:

- 1) Universal service remains essential for end-user customers served by rural ILECs.
- 2) Bill-and-keep will cause a disparate and precipitous increase in rural end user charges.
- 3) Universal service and intercarrier compensation are closely intertwined.
- 4) Bill-and-keep will shift costs between jurisdictions.
- 5) Rural areas may require a different solution.
- 6) Regulatory arbitrage can be addressed in many ways.

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