

June 6, 2006

BY ELECTRONIC FILING

Marlene M. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Dockets 06-74 and 05-261: Notification of Ex Parte Meeting

Dear Ms. Dortch:

On June 5, 2006, on behalf of Fones4All Corporation (“Fones4All”), the undersigned counsel conducted an *ex parte* meeting with: Aaron Goldberger, Legal Advisor to Commissioner Taylor Tate, as well as Wesley Pratt and Melissa Dawn, Interns. The parties discussed the points set forth in the attached presentation at the meeting.

In accordance with the Commission’s rules, 47 C.F.R. Sec. 1.1206(b)(1), Fones4All is electronically filing in the above-referenced dockets this letter, along with the attached materials.

Respectfully submitted,



Ross A. Buntrock
Counsel to Fones4All Corporation

cc: Aaron Goldberger (via electronic mail)



Fones4All Corp.

WC Dockets 06-74, 05-261

**Ross Buntrock, Womble Carlyle
Counsel to Fones4All Corp.**

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Agenda

- Company Overview
- Public Interest Analysis
- Conditions

Company Overview



- Fones4All is a CLEC focused on low income single line residential customers who qualify for Lifeline.
- Uses outreach methods recommended by the Joint Board and adopted by the Commission.
- Today Fones4All serves approximately 80,000 single line residential Lifeline customers in California.
- Fones4All reaches out to low income consumers who have never before had telephone service, most of whom have been ignored or overlooked by others.

Public Interest Analysis



- Public interest evaluation necessarily encompasses the 'broad aims of the Communications Act' which include, among other things, a deeply rooted preference for preserving and enhancing competition in relevant markets
- Universal service has been a fundamental goal of telecommunications regulation since the Act was passed in 1934 and Congress renewed commitment in 1996 Act.
- Section 254(b) establishes principles upon which the Commission base policies for the preservation and advancement of universal service, one of which is that low income consumers have access to telecommunications and information services that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged in urban areas.
- In the TracFone Order the Commission concluded that low income universal service eligible consumers do not have benefits of competitive telecommunications market.

Public Interest Analysis



- Therefore, in conducting the evaluation of the impact of the merger on mass market competition the Commission should separately examine the market for local service for low income universal service eligible end users.
- Such an analysis will yield same conclusion as Commission reached in TracFone: there is little or no competition in that market and the merger will only exacerbate the problem.
- In order to mitigate these harms the Commission should impose several conditions.

Conditions



- A requirement that the merged company provide access to unbundled local switching at the most recently applicable TELRIC rates to ensure facilities based wireline competition for low income consumers eligible for universal service subsidies.
- A requirement that the merged company offer basic two-wire residential loop product at the most recently applicable TELRIC rates in order to ensure facilities based wireline competition for low income consumers eligible for universal service subsidies.
- A requirement that the merged company repair substandard copper loop plant reported by CLECs.