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December 18, 2006

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

**Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45**

Dear Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral *ex parte* presentation in connection with the above-captioned proceeding.

On Friday, December 8, 2006, undersigned counsel, on behalf of Smith Bagley, Inc. ("SBI"), met with Jeremy Marcus, Vickie Robinson and Carol Pomponio to discuss SBI's position regarding Hopi Telecomm, Inc.'s pending petition for ETC status on Hopi Reservation lands in Arizona. A summary of counsel's remarks follows:

As a competitive ETC, SBI has been receiving much needed support for the customers it serves on the Hopi Reservation lands. The ILEC, Hopi Telecom, Inc., has applied for ETC status following its transaction to succeed CenturyTel as the ILEC on the Hopi Reservation... Hopi Telecom, Inc.'s application for ETC designation, made in February 2006, remains pending. High-cost support to SBI in this area was cut off as of June, 2006, when the sale of these exchanges closed. After the fact, USAC informed SBI that support in this area will not be restored until Hopi Telecom, Inc. is designated as an ETC.

The lack of support in this area has stalled projects that are part of SBI's five year plan which were planned contemplating continued USF support. Moreover, it prejudices SBI's ability to fulfill its federal carrier of last resort obligation to respond to reasonable requests for service, and to deliver high-quality service to consumers living on the reservation, including low-income residents who often depend on SBI's service as their primary means of communicating.

Counsel urged the Commission to promptly grant Hopi Telecom, Inc.'s petition for ETC status and to ensure that support which must be portable under the Commission's rules is made available to SBI.

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If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. LaFuria".

David A. LaFuria
Counsel for Smith Bagley, Inc.

cc: Jeremy Marcus
Vickie Robinson
Carol Pomponio