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ELECTRONIC EX PARTE FILING

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Windstream's Petition for Conversion to Price Cap Regulation
and for Limited Waiver Relief, WC Docket No. 07-171**

Dear Ms. Dortch:

In its Petition¹ seeking to convert entirely to price cap regulation consistent with the rules established in the *CALLS Order*², among other things, Windstream requested a partial waiver of certain rules regarding the distribution of USF support in order that it could continue to receive interstate common line support ("ICLS") as a price cap carrier, but at a level no higher than the interstate access support ("IAS") funding that Windstream would receive per line if IAS were available to it in 2007 and no higher in the future than that per-line level.³

¹ Windstream Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, WC Docket No. 07-171 (Aug. 6, 2007) ("Petition"). See FCC Public Notice, *Comment Sought on Windstream Petition for Conversion to Price Cap Regulation and for Other Limited Waiver Relief*, 22 FCC Rcd 16060 (WCB 2007).

² *Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers*, Sixth Report and Order, 15 FCC Rcd 12962 (2000) ("*CALLS Order*"), *aff'd in part, rev'd in part and remanded in part, Texas Office of Public Util. Counsel v. FCC*, 265 F.3d 313 (5th Cir. 2001).

³ Windstream requested that it continue to receive ICLS as a price cap carrier in order not to impinge on other price cap carriers' IAS funding (*see* 47 C.F.R. § 54.801 *et seq.*). Because ICLS is available only to rate-of-return carriers (*see* 47 C.F.R. § 54.901(a)), however, Windstream would not be eligible, in the absence of a waiver, for ICLS once it converted to price cap regulation.

In an ex parte filing on February 29, 2008, Windstream clarified several aspects of the relief requested in the Petition.⁴ In that ex parte, Windstream stated that it would not object if the Commission simply converted Windstream's current ICLS funding to a frozen per-line amount, consistent with the approach taken in the *ACS Forbearance Order*.⁵ As such, instead of the USF partial waiver relief originally requested in the Petition, the Commission would grant a partial waiver of the relevant USF rules so that Windstream would continue to receive ICLS as a price cap carrier, but measured at 2007 per-line disaggregated ICLS amounts and frozen at those per-line levels going forward.⁶

For the Windstream operating companies that would convert to price cap regulation pursuant to an order granting the Petition ("converting companies"), Windstream would not object to a cap on the total amount of ICLS due annually to the converting companies (the "annual ICLS cap") equal to the total amount of ICLS to which the converting companies are entitled for 2007 under the Commission's rules in effect on the date of this letter, including any true-ups that may apply pursuant to those rules. The annual ICLS cap would apply only to those converting companies owned by Windstream on the effective date of an order granting the Petition.

In accordance with Section 1.1206(b)(1) of the Commission's rules, this letter is submitted for inclusion in the record of the above-captioned docket. Please do not hesitate to contact the undersigned with any questions or concerns about this letter or the issues discussed.

Sincerely,

/s/ Eric N. Einhorn

Eric N. Einhorn

cc: Ian Dillner
Dana Shaffer
Al Lewis
Jennifer McKee

⁴ See Letter from Eric N. Einhorn, Windstream, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 07-171 (filed Feb. 29, 2007).

⁵ See *Petition of ACS of Anchorage, Inc.*, 22 FCC Rcd 16304, 16337 (2007) ("*ACS Forbearance Order*").

⁶ Under this approach, Windstream also would forego any Presubscribed Interexchange Carrier Charge ("PICC") or carrier common line ("CCL") charges that might otherwise be assessable under CALLS and would forego an increase in the non-primary residential subscriber line charge ("SLC") cap from \$6.50 to \$7.00. See February 29 ex parte at 2.