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

September 19, 2008

Re: Notice of *Ex Parte* Presentation

RE: WC Docket 05-337; CC Docket 96-45; CC Docket 01-92

Dear Ms. Dortch,

This letter is to advise you, in accordance with Section 1.1206(b) of the Commission's rules, that on September 17, 2008, Ben Scott and Derek Turner of Free Press met with Dana Schaffer, Chief of the Wireline Competition Bureau, Dan Gonzalez, FCC chief of staff, and Amy Bender, legal advisor to Chairman Kevin Martin.

We discussed the status of the aforementioned proceedings regarding reforms to the Universal Service Fund (USF) programs and the system of intercarrier compensation (ICC). We discussed the Commission's efforts to move the ICC system toward a uniform rate that is fair and equitable looking at the revenue structure in the industry. We identified our view that intercarrier compensation changes should be cost-based and should protect low-volume callers from bearing a disproportionate burden. We also discussed the possibility that the Commission may proceed with plans to expand the contribution base of the USF programs and substantially alter the distribution scheme. The meeting addressed how these policy changes fit together and how they may be implemented to benefit consumers and providers alike.

We stressed our view that the most important action the Commission can take this year is to move the USF programs into a transition from supporting telephone services to supporting broadband infrastructure. We noted that the pending decision to reform ICC could create an opportunity for supporting rural broadband infrastructure within the USF. We expressed our strong belief that the Commission is correct in its tentative conclusion that the Identical Support Rule should be eliminated. This is an essential component of altering the way in which USF monies are distributed so that subsidies go toward a stable, future-proof infrastructure for broadband networks. We indicated we would file more detailed comments about our ideas at a later date that go beyond the extensive analysis we have already submitted into the docket.

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Sincerely,

A handwritten signature in black ink, appearing to read "B. Scott", with a long horizontal flourish extending to the right.

Ben Scott, Policy Director
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