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

October 20, 2008

Re: Notice of *Ex Parte* Presentation

RE: WC Docket 05-337; CC Docket 96-45; CC Docket 01-92; WC Docket 06-122

Dear Ms. Dortch,

This letter is to advise you, in accordance with Section 1.1206(b) of the Commission's rules, that on Friday October 17, 2008, Ben Scott and Derek Turner of Free Press met with Chairman Kevin Martin and Dan Gonzalez.

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 broad scope of the policies needed to ensure that changes to these regulatory structures are fair, reasonable, and consumer friendly. We reiterated points made in our October 13th 2008 written *ex parte* filing; chiefly that if the Commission moves forward with ICC reform, that such reform be rooted in the cost-based principles of the Act; that the current level of the Federal Subscriber Line Charge (SLC) may already lead to an over-recovery of costs on a substantial portion of lines, and that any further increases in the SLC be made only after a comprehensive review of the actual level of need; and that in the long-term, the burden that ICC reform places on consumers must be offset with commensurate or greater benefits -- *actual* benefits and not mere promises. We urged the Commission to modernize the USF in order to bring rural America universal affordable broadband.

Sincerely,



Ben Scott, Policy Director
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