



Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE LOS ANGELES NEW YORK PORTLAND SAN FRANCISCO SEATTLE SHANGHAI WASHINGTON, D.C.

PAUL HUDSON
DIRECT (202) 973-4275
paulhudson@dwt.com

SUITE 200
1919 PENNSYLVANIA AVE NW
WASHINGTON, DC 20006

TEL (202) 973-4200
FAX (202) 973-4499
www.dwt.com

October 27, 2008

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

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45; High-Cost
Universal Service Support, WC Docket No. 05-337

Dear Ms. Dortch:

If the Commission caps the high-cost universal service support that can be allocated to a study area, it should exempt CETCs that seek cost-based support for service to areas that were not served by the incumbent carrier at the time of the CETC's service initiation. Some ILEC study areas that do not receive any support have within them high-cost areas not served by the ILEC. Residents of these otherwise unserved high-cost pockets would be disserved by a rule that would cap at zero the support that could be received by a CETC that was the only wireline service provider to their home, simply on the grounds that such areas were nominally part of the ILEC's study area. Alternatively, the Commission should seek additional comment to gather information regarding the public interest consequences of such caps before adopting them.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Hudson'.

Paul B. Hudson

cc: Dan Gonzalez
Amy Bender
Nicholas Alexander
Greg Orlando
Scott Deutchman
Scott Bergmann
Dana Shaffer
Donald Stockdale
Jeremy Marcus
Jennifer McKee