

December 15, 2008

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

**RE: Notice of Ex Parte Presentation  
Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92; Intercarrier  
Compensation for ISP-Bound Traffic, CC Docket 99-68; Universal Service Contribution  
Methodology, Federal State Joint Board on Universal Service, CC Docket 96-45; Numbering  
Resource Optimization, CC Docket 99-200; IP-Enabled Services, WC Docket 04-36; High Cost  
Universal Service Support, WC Docket No. 05-337; Lifeline and Link Up, WC Docket 03-109.**

**And**

**Feature Group IP Petition for Forbearance Pursuant to 47 U.S.C. § 160(c) from Enforcement of 47  
U.S.C. § 251(g), Rule 51.701(a)(I), and Rule 69.5(b); Petition of Embarq Local Operating  
Companies for Limited Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Rule 69.4(a),  
47 U.S.C. § 251(b), and Commission Orders on the ESP Exemption**

Dear Ms. Dortch:

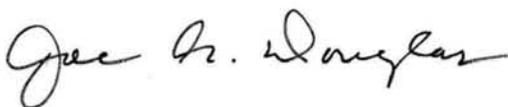
On December 15, 2008, Jim Frame and Regina McNeil of NECA; and the undersigned met separately with Scott Deutchman of Commissioner Copps' office and Greg Orlando of Commissioner Tate's office.

We discussed the implications of pending proposals for intercarrier compensation and universal service reform on small carriers serving rural customers. The attached document, used in the meeting, outlines NECA's views and is consistent with NECA's formal filed comments in these proceedings.

We also discussed pending forbearance petitions filed by FGIP and by Embarq. NECA reiterated its support for the Embarq petition and its opposition to that filed by FGIP, positions consistent with NECA comments previously filed in these proceedings.

Questions regarding the meetings may be directed to my attention.

Sincerely,



Attachment

CC: Kevin J. Martin  
Michael J. Copps

Jonathan S. Adelstein  
Deborah Taylor Tate  
Robert M. McDowell  
Nicholas G. Alexander  
Amy Bender  
Nick Alexander  
Scott Bergmann  
Scott Deutchman  
Greg Orlando  
Dana R. Shaffer  
Donald Stockdale  
Albert Lewis  
Jeremy Marcus

# *Rational Intercarrier Compensation & USF Reform*

The Federal Communications Commission should follow a course towards unification of interstate and intrastate access charges and reform of USF mechanisms, as outlined in the *Joint Statement* of Commissioners Copps, Adelstein, Tate and McDowell.

The FCC should:

- Accomplish Unification of Intrastate and Interstate Access on a voluntary basis, using a Federal Restructure Mechanism Funding as an incentive;
- Impose moderate increases in subscriber line charges in conjunction with a federal benchmark mechanism;
- Address phantom traffic and access pumping problems by adopting the call signaling and financial responsibility rules proposed in the *Further Notice*, and by using the Commission's authority under section 205 of the Act, as well as reasonable certification requirements, to assure access rates reflect demand levels; and
- Resolve access avoidance problems by confirming interconnected VoIP services are subject to the same intercarrier compensation obligations as other voice telephony services;
- Encourage carriers to deploy broadband services throughout their service territories by matching deployment commitments with a commitment to continued rate-of-return (RoR) based funding;
- Replace the current irrational identical support rule for competitive eligible telecommunications carriers (CETCs) with cost-based support targeted to rural and high-cost areas.

The FCC should not:

- Impose study-area specific caps or freezes on universal service support to RoR ILECs, as such caps are fundamentally inconsistent with rate of return regulation;
- Improperly classify any IP/PSTN services as information services without considering the nature of specific services offered
- Employ reverse auctions as a means of determining eligibility for universal service support;
- Impose a new, untested "additional costs" standard that produces unreasonably low rates for rural RoR carriers;
- Adopt unduly harsh rules requiring carriers to charge uniform state-wide rates that fail to reflect the network costs of individual companies; or
- Require implementation of rate reductions or other reforms until actual rules governing replacement support mechanisms are in place.

NECA further suggests the Commission refer to later proceedings issues relating to unification of reciprocal compensation rates and access charges. Such proceedings should also focus on developing sustainable network interconnection, pricing and universal service rules for the multi-service, all-packet broadband networks that are being deployed today.