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March 19, 2009

EX PARTE PRESENTATION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: CenturyTel, Inc. Petition for Conversion to Price Cap Regulation and for
Limited Waiver Relief, WC Docket No. 08-191

Dear Ms. Dortch:

CenturyTel, Inc. ("CenturyTel") acknowledges that AT&T and Sprint-Nextel have suggested in this proceeding that, with the pending acquisition of Embarq, the combined CenturyTel after the merger should not be entitled to utilize an Average Traffic Sensitive ("ATS") target rate of \$ 0.0095. Federal Communications Commission ("FCC") rules provide that a primarily rural price cap company that has fewer than 19 switched access lines per square mile at the holding company level is entitled to establish an ATS target rate of \$ 0.0095. 47 C.F.R. § 61.3(qq)(2). We understand that Embarq currently operates under the \$ 0.0065 ATS target rate.

Although CenturyTel properties currently average less than 12 switched access lines per square mile and qualify for the primarily rural ATS target rate, CenturyTel recognizes that the timing of the merger transaction raises policy questions in customer's minds as to what ATS target rate should apply post-transaction. There is no question that if the combined entity were to seek to enter the CALLS plan at that time, it would be required to follow the \$ 0.0065 ATS target rate applicable to non-rural carriers under the CALLS rules. *Id.*, § 61.3(qq)(3). In light of these developments, which were not present at the time the waiver petition was filed, and notwithstanding the provisions in Section 61.48(o) of the Commission's rules, which deals with acquisitions of price cap companies having different ATS target rates, CenturyTel is willing to use the \$ 0.0065 ATS target rate for all of its rate of return study areas converting to price caps once the FCC approves its merger with Embarq.

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Thus, under this proposal, CenturyTel would be permitted to utilize the \$ 0.0095 primarily rural ATS target rate upon grant of the waiver until its merger with Embarq is approved by the FCC. Once the merger is approved by the FCC, CenturyTel would utilize the \$ 0.0065 rate for annual access tariff filings filed thereafter. All other conditions proposed in its waiver petition would continue to apply.

This concession would benefit customers because they would eventually experience further rate reductions over and above what they already would have received pursuant to the original waiver petition, if granted. Since access rate reductions to the \$ 0.0065 level would occur gradually over time through application of the 6.5 percent X-factor, delaying application of the lower ATS target rate for a brief time period would not materially affect any customers, particularly since the merger is scheduled to close no later than mid-year 2009, depending of course on the FCC's approval timing. And until the waiver is granted, customers would be in the same position as they would have been in without the merger. Therefore, CenturyTel respectfully requests prompt grant of its wavier petition, subject to the conditions it has agreed to in the record of this proceeding.

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket. Please let me know if you have any questions.

Sincerely,

/s/ Gregory J. Vogt

Gregory J. Vogt
Counsel for CenturyTel, Inc.

cc: Al Lewis
Marcus Maher