



March 27, 2009

ELECTRONICALLY FILED VIA ECFS

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

RE: Notice of Ex Parte - Federal-State Board on Universal Service, CC Docket No. 96-45
Report on Rural Broadband Strategy, GN Docket No. 09-29

Dear Ms. Dortch:

On March 26, 2009 James L. Bond of Public Service Telephone Co., Holly N. Hudspeth of The Data Center Inc., Roger Hermsen of Nsight Teleservices, C.E. Ritenour, Jr. of Wilkes Telecommunications, Rebecca R. Wyhof of Eastern Rural Telecom Association, Carole M. Woodward of Eastern Rural Telecom Association, and Jerry L. Weikle of Weikle & Co. met with Nicholas Alexander of Commissioner Robert M. McDowell's office.

In addition to the information on the attached written summaries, participants discussed the need for process improvements to the USF Audit process. Participants also discussed rural broadband service deployment, service offerings, retail pricing, and possible incentives.

Sincerely,

/s/ Jerry L. Weikle

Jerry L. Weikle

cc: Nicholas Alexander



Universal Service Fund Audits

The Eastern Rural Telecom Association (“ERTA”) is a membership organization made up of local exchange companies (“LECs”) and support companies that provide telecommunications services to rural customers in the Eastern half of America. Besides providing local, long distance, and broadband Internet services, some ERTA members also provide wireless and cable television services.

ERTA understands the importance of Universal Service Fund (“USF”) audits to ensure compliance with applicable rules. ERTA supports full accountability for companies that receive and use USF funding.

ERTA members have undergone USF audits without findings of wrongdoing or neglect.

ERTA members are generally small, rural companies that are thinly staffed and where staff has multiple duties and functions.

USF Audits are generally handled by inexperienced auditors. ERTA believes that USF audits can be performed in a more cost effective manner with auditors that understand the USF programs, the telecommunications industry, and FCC Part 32 accounting rules that they are auditing. ERTA believes that audit firms should handle USF audits consistently across the country.

ERTA does not believe that it is effective for an audit to be performed that costs more than the company receives in annual USF funds.

ERTA urges the Federal Communications Commission to allow enough time between audit cycles to implement process improvements.



Broadband in Rural America

The Eastern Rural Telecom Association (“ERTA”) is a membership organization made up of local exchange companies (“LECs”) and support companies that provide telecommunications services to rural customers in the Eastern half of America. Besides providing local, long distance, and broadband Internet services, some ERTA members also provide wireless and cable television services.

ERTA believes broadband deployment is critical to consumers and businesses in Rural America.

ERTA understands that there is a disparity of broadband services available in Rural America compared to urban areas.

ERTA members have Universal Service obligations and are in the best position to provide broadband services to Rural America. Wireless and cable television companies choose to provide service where it is economically feasible.

ERTA believes that 100% deployment of Broadband availability in Rural America would have occurred if there were a business case to cover the enormous capital investment and recurring expenses that are required in sparsely populated areas.

ERTA believes that Broadband service should be covered under the definition of Universal Service. ERTA believes that Broadband service should be supported by the Universal Service Fund.

ERTA believes that grants are important to enhance broadband deployment in Rural America.