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May 20, 2009

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room TWB-204
Washington, DC 20554

Notice of *Ex Parte*

RE: *Petition of Worldcall Interconnect, Inc. for Designation as an Eligible Telecommunications Carrier in the State of New York*, CC Docket 96-45 (filed Oct. 20, 2008); Notice of *Ex Parte* Communication

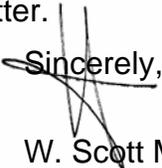
Dear Ms. Dortch:

Worldcall Interconnect, Inc. ("WCX" or "the Company") hereby gives notice that on Monday, May 18, 2009 WCX made a telephonic presentation to Jennifer Schneider, Acting Chairman Copps' Legal Advisor on universal service issues. While the presentation involved matters in addition to WCX's pending application for New York, the application was also discussed and WCX requested action on the New York application.

WCX provided the attached materials to Ms. Schneider and they formed the basis of the discussion.

Thank you for your attention to this matter.

Sincerely,


W. Scott McCollough
General Counsel

xc: Jennifer Schneider

Worldcall Interconnect, Inc. (“WCX”)

Ex Parte Meeting

Acting Chairman Copps’ Office

May 18, 2009

Background

- In April 2008, Worldcall Inc. is declared the winning bidder on 700 MHz spectrum in NY, TX, PR and USVI
- Worldcall Interconnect, Inc. (“WCX”) is an ETC (Designation by Texas PUC in January 2009) in 72 rural Texas areas and has a pending ETC (Filed application in October 2008) before the FCC for two rural New York counties.
 - The Texas ETC rules require providers to provide supported services in rural areas at prices far below cost.
 - The amount WCX would receive under Identical Support would be completely insufficient to allow WCX to recover anything close to the difference between its cost and the prices it is required to charge for service.

WCX's Implementation of the "Own Cost Exception" to the Cap

- As part of its defense to the appeals of the CETC Interim Cap Order the Commission advised the D.C. Circuit that the "own cost" exception to the cap is presently operational and available to any carrier that believes it will not recover sufficient support.
- ***WCX has started Texas operation, provides service below costs as required by ETC policies and filed its cost data with USAC. WCX now has no prospect of receiving sufficient Federal support. WCX can not afford to operate at a loss.***
- WCX is therefore attempting to file its own costs and recover support based on its own cost "in the same manner" as rural incumbents, rather than using Identical Support, just like the FCC said it could do.
- WCX can and has developed its costs in the same manner as used by rural incumbents, and no new form was or is required.
- WCX has fully explained its approach to USAC and FCC staff, and also included a full description in WCX's application for ETC status in New York that is presently before the Commission. No party has criticized the approach or indicated there is any problem with it. The only commenter during the comment cycle supported the application.
- The New York application is apparently "on hold" because it is expressly based on WCX receiving support based on its own costs.

USAC REFUSAL TO ADMINISTER EXEMPTION

- USAC has denied WCX's application for funding based on WCX's costs in Texas and has said WCX must use Identical Support because there is "no OMB form" for CETCs to file their own costs.
- The Paperwork Reduction Act does not allow agencies to deny a benefit merely because there is "no form"; an applicant is allowed to provide necessary information in "any reasonable manner."
- WCX contends no new forms are required and the method and approach used by WCX fully meets the letter and spirit of the Commission's intent when it said it would allow CETCs to receive support based on their own cost "in the same manner" as rural incumbents.
- WCX requests that the Acting Chairman instruct FCC staff and USAC to:
 - process WCX's application and filing and immediately provide support based on WCX's own costs in Texas rural areas, using WCX's method and approach; and
 - order the Bureau to finish processing the New York application.

FCC Commissioner Comments to ICO exemptions

Copps

“While I strongly disagree with the overall decision taken today, I am encouraged the majority added to their CETC cap two caveats that I have long deemed important. ... a CETC will not be subject to the cap to the extent it provides cost data documenting its actual costs for providing competitive service. I continue to believe that the elimination of the Identical Support rule should be part of any comprehensive solution and this step is consistent with that approach.”

Addelstein

“I would have preferred that the Commission take more meaningful measures to address growth of the fund, such as eliminating the Commission’s so-called identical support rule, tightening the designation process and improving the Commission’s audit processes. In this respect, I appreciate the majority’s efforts to address a number of my concerns with this revised cap mechanism, such as creating an exception for CETCs that document their own costs.”

FCC Comments to DC Circuit Court on ICO Appeal

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Para. 2 ***“3a. Moreover, if a competitive ETC believes its high-cost support is insufficient, the Order offers competitive ETCs an exception – a competitive ETC will not be subject to the interim cap if it files cost data demonstrating that its costs meet the support threshold in the same manner as the ILEC.”***

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Para. 2 ***“Nonetheless, to ensure the sufficiency of high-cost support, the Order offers competitive ETCs an exception from the interim cap if their capped support truly is insufficient. Specifically, “a competitive ETC will not be subject to the interim cap to the extent that it files cost data demonstrating that its costs meet the support threshold in the same manner as the ILEC.”” id. ¶ 31 (JA 180). Thus, there is simply no merit to amicus Corr Wireless’s allegations that under the interim cap, competitive ETCs will “receive only a portion of the subsidy which they need to meet their costs,” Amicus Br. 4”***

FCC Comments to DC Circuit Court on ICO Appeal

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Para. 2**

“To the extent that a competitive ETC believes it should be entitled to greater per-line high-cost support than the amount disbursed under the interim cap, the Order permits a competitive ETC to obtain an exception from the interim cap upon “fil[ing] cost data demonstrating that its costs meet the support threshold in the same manner as the ILEC.” Order 31 (JA 180).