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October 20, 2010

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

**Re: Establishing Just and Reasonable Rates for Local Exchange Carriers,  
WC Docket No. 07-135, Developing a Unified Intercarrier  
Compensation Regime, CC Docket No. 01-92**

Dear Ms. Dortch:

During the meeting that Mike Shultz of Consolidated Communications and the undersigned had on October 7, 2010 with Albert Lewis, Randy Clarke, John Hunter, Dan Ball, Jay Atkinson, and Jenny Prime of the Wireline Competition Bureau, the FCC Staff asked whether the commission arrangement that Consolidated had with its conference calling providers and similar customers violated Section 203 of the Communications Act of 1934, as amended ("Act").

Section 203(c)(2) prohibits carriers providing tariffed service under the authority of the Act from "refund[ing] or remit[ing] by any means or device any portion of the charges so specified." The service that Consolidated provides to conference calling providers and similar customers is provided under state tariffs, not interstate tariffs, and thus is not subject to Section 203 of the Act. We are not aware of state statutes that are analogous to Section 203(c)(2) in the states in which Consolidated has made such commission payments.

It also could not be argued that the commission payments somehow violate Section 203(c)(2) because they constitute a refund or remittance of access charges collected by Consolidated from interexchange carriers for service under the Act. As the Commission held in Memorandum Opinion and Order, *In the Matter of AT&T's Private Payphone Commission Plan*, 7 F.C.C. Rcd.7135 at ¶ 8 (rel. Nov. 4, 1992), commission payments made to entities that are not customers of the carrier for the interstate service are not unlawful rebates in violation of Section 203(c)(2).

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Ms. Marlene H. Dortch  
October 20, 2010  
Page 2

Please call me if you have any questions.

Sincerely,



Eric J. Branfman

cc: Albert Lewis, WCB/PPD  
Randy Clarke, WCB/PPD  
John Hunter, WCB/PPD  
Dan Ball, WCB/PPD  
Jay Atkinson, WCB/PPD  
Jenny Prime, WCB/FO