



Law Offices of Bennet & Bennet, PLLC

Maryland

4350 East West Highway, Suite 201
Bethesda, Maryland 20814
Tel: (202) 371-1500
Fax: (202) 371-1558

District of Columbia

10 G Street NE, Suite 710
Washington, DC, 20002

Caressa D. Bennet
Michael R. Bennet
Gregory W. Whiteaker
Marjorie G. Spivak*
Donald L. Herman, Jr.
Kenneth C. Johnson‡
Howard S. Shapiro
Daryl A. Zakov^
Robert A. Silverman
Anthony K. Veach#

Of Counsel

Andrew Brown*

*Admitted in DC & PA Only

‡Admitted in DC & VA Only

^Admitted in DC & WA Only

↔Admitted in DC & ME Only

#Admitted in DC & FL Only

October 22, 2010

Via Electronic Delivery

Ms. Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation
WC Docket No. 05-337
CC Docket No. 96-45

Dear Ms. Dortch:

On October 21, 2010, Caressa Bennet and Kenneth Johnson of Bennet & Bennet, PLLC, counsel for Advantage Cellular Systems, Inc. (“Advantage”), met with Zac Katz, Legal Advisor for Wireline Communications to Federal Communications Commission (“FCC” or “Commission”) Chairman Julius Genachowski. Also in attendance were Gary Seigel and Ted Burmeister of the FCC’s Wireline Competition Bureau. Advantage’s counsel discussed Advantage’s cost study, filed on March 27, 2009, in the above-referenced proceedings.¹

Background

- **May 1, 2008** – The Commission released its *Interim Cap Order* adopting an emergency cap on the amount of high-cost universal service support that competitive ETCs may receive.² The *Interim Cap Order* stated, however, that a competitive ETC would not be subject to the interim cap on high-cost universal service support to the extent that it files cost data demonstrating that its costs meet the support threshold in the same manner as the incumbent local exchange carrier. Advantage noted that, to date, the FCC has yet to act on any such request by a competitive ETC, including Advantage’s, that has submitted a cost study in order to be exempted from the high-cost cap.
- **March 27, 2009** – Advantage filed its request to receive additional high-cost support beyond the amount under the cap. Advantage noted that its cost study demonstrates the extremely

¹ *Comment Sought on Advantage Cellular Systems, Inc., Request for Cost-Based High-Cost Universal Service Support*, WC Docket No. 05-337, CC Docket No. 96-45, Public Notice, DA 09-1563 (July 21, 2009).

² See *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834 (2008) (“*Interim Cap Order*”).

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high costs associated with the provision of wireless telecommunications in its rural service areas and that it is in the public interest for Advantage to receive high-cost support exempt from the cap. Advantage also requested that its high-cost support not be determined directly on the basis of its costs, but rather in accordance with the identical support rule set forth in Section 54.307 of the Commission's rules.

Advantage Cost Study

Advantage discussed its belief that its showing of its costs demonstrates that it should not be subjected to the interim cap, especially since implementation of the cap has drastically cut Advantage's monthly high-cost support, creating a hardship. Advantage noted that its cost study was conducted using high-cost support algorithms that have been widely accepted for incumbent local exchange carrier ("ILEC") cost studies by the National Exchange Carrier Association ("NECA") for more than twenty years. In essence, Advantage's cost study is non-controversial and effectively mimics historical wireline cost studies.

Advantage suggested that, after over a year and a half, it was in the public interest for the Commission to act on Advantage's request, taking into consideration its comprehensive cost study and the hardship implementation of the interim cap has imposed on Advantage. Advantage noted that directing high-cost support to the area of rural Tennessee served by Advantage based on Advantage's demonstrated need is consistent with the FCC's National Broadband Plan ("NBP") and the proposed Mobility Fund."

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Caressa D. Bennet

Caressa D. Bennet
Kenneth C. Johnson
Counsel for Advantage Cellular Systems, Inc.

cc (via email): Zac Katz
Gary Seigel
Ted Burmeister