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Electronic Submission

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

**Re: *A National Broadband Plan for Our Future, GN Docket No. 09-51*
Connect America Fund, WC Docket No. 10-90
High-Cost Universal Service Support, WC Docket No. 05-337
Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92
*Jurisdictional Separations, CC Docket No. 80-286***

Dear Ms. Dortch:

On Friday December 3rd, Cathy Carpino, Joel Lubin, David Hostetter, and the undersigned met on behalf of AT&T with the following members of the Wireline Competition Bureau: Carol Matthey, Rebekah Goodheart, Amy Bender, Patrick Halley, Elise Kohn, Joe Cavender, Nicholas Degani, and Trent Harkrader. In the meeting we discussed reform of the Commission's universal service programs. This letter summarizes the meeting.

First, we discussed reform of the Commission's rules and policies pertaining to eligible telecommunications carriers (ETCs). We recommended that the Commission reform ETC policies so as to limit ETC obligations to the areas and purposes for which they receive funding. In particular we recommended that the Commission: (1) streamline the existing list of supported services; (2) using its authority under section 254(j) of the Telecommunications Act of 1996, establish a separate designation, which would not be an ETC designation, solely for the provision of Lifeline services; (3) limit ETC obligations, under legacy high cost programs as well as the proposed Connect America Fund (CAF), to the targeted geographic areas for which an ETC receives support; and (4) develop a streamlined process to enable an ETC whose legacy high-cost support has been reduced (e.g., by 60-80%) to be relieved of its ETC obligations in exchange for expediting the elimination of its legacy funding.

Second, we discussed the proposed performance targets for the CAF of 4 Mbps upload and 1 Mbps download. We suggested that the Commission should consider whether greater flexibility with respect to those targets would promote the public interest. For example, according to a preliminary analysis performed by AT&T, changing the upload target to 768 Kbps could materially reduce the amount of needed funding. Accordingly, we recommend that the Commission seek comment on the sensitivity of the amount of needed universal service funding to changes in the performance targets.

Third, we discussed the impact of universal service reform on the jurisdictional division of certain loop costs. We urged the Commission to make clear that as it transforms its universal service objectives from plain old telephone service to broadband, it will treat loops used to provide broadband as exclusively interstate.

Fourth, we discussed the design parameters of comprehensive universal service reform and the CAF. We recommended that the Commission should consider the following issues: (1) how to identify the areas that are eligible for support; (2) how to distinguish “served” areas from “unserved” areas; (3) whether areas that receive legacy high cost funding should be treated differently from areas that do not. We suggested that the Commission seek comment on how every combination of eligible/ineligible, served/unserved, and legacy-funded/unfunded should be addressed as part of comprehensive reform.

Pursuant to section 1.1206 of the Commission’s Rules, this letter is being filed electronically with your office for inclusion in the public record of the above referenced proceedings.

If you have any questions, please do not hesitate to contact me at (202) 457-3821.

Sincerely,

/s/ Henry Hultquist

Vice President
Federal Regulatory

cc: Carol Matthey
Rebekah Goodheart
Amy Bender
Patrick Halley
Elise Kohn
Joe Cavender
Nicholas Degani
Trent Harkrader