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February 22, 2011

BY ELECTRONIC FILING

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

Re: In the Matter of Connect America Fund *et al.*
WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos.
01-92, 96-45; GN Docket No. 09-51

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. §1.1206, this letter provides notice that on Friday, February 18, 2011, Kevin Hess, Senior Vice President - Government and Regulatory Affairs, and Robert DeBroux, Director of Public Policy and Federal Regulatory Affairs, both of TDS Telecommunications Corp. ("TDS Telecom"), spoke by telephone with the following members of the Commission staff to discuss matters raised in the *Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking* (rel. Feb. 9, 2011) (the "*NPRM/FNPRM*") issued in the above-captioned proceedings: Zac Katz, Legal Advisor to Chairman Genachowski; Sharon Gillett, Chief, Wireline Competition Bureau; Carol Matthey, Deputy Bureau Chief, Wireline Competition Bureau; and Michael Steffen, Special Counsel, Office of General Counsel.

In that discussion, the TDS Telecom participants described the characteristics of the markets served by the company and explained how the current interstate funding mechanisms – both universal service and intercarrier compensation – have enabled successful build out and maintenance of some measure of broadband facilities to the majority of TDS Telecom's customers. They also described the role that stimulus funding will play in furthering the deployment of broadband service into many of the company's remaining unserved and higher-cost areas. The TDS Telecom participants explained, however, that a number of the proposals set forth in the *NPRM/FNPRM* could impact the company's ability to make further investments in the more rural markets in its footprint and to maintain broadband facilities already deployed. They pointed out that in the aggregate, the "near-term" proposals described at Section VI of the *NPRM/FNPRM* would impact resources currently used to invest in broadband deployment. With

respect to the Connect America Fund (“CAF”), the TDS Telecom participants observed that there is insufficient information in the *NPRM/FNPRM* to determine whether the CAF would support broadband deployment to high-cost areas. They also discussed the possibility of an incentive-based, modified rate-of-return framework.

Throughout the discussion, the TDS Telecom representatives emphasized the company’s commitment to working with the Commission to shape proposals that will further the availability of robust, affordable broadband to all Americans. They also noted TDS Telecom’s involvement in industry coalitions that are exploring the most appropriate mechanisms to address concerns expressed in the *NPRM/FNPRM* as to the current support mechanisms, while providing incentives to ensure that broadband is built out in unserved areas and maintained and evolved in areas that currently are served.

If you have any questions, please contact the undersigned.

Sincerely,



Yaron Dori

Matthew S. DelNero

Counsel to TDS Telecom

cc: Zac Katz
Sharon Gillett
Carol Matthey
Michael Steffen