



**The Competitive Carriers Association**

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May 16, 2011

**Via ECFS**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: WC Docket No. 10-90  
GN Docket No. 09-51  
WC Docket No. 07-135  
WC Docket No. 05-337  
CC Docket No. 01-92**

Dear Ms. Dortch:

On May 13, 2011, Julia Tanner, General Counsel for MTPCS d/b/a Cellular One; Jon Foxman, President & CEO of MTPCS d/b/a Cellular One; Eric Graham, Vice President, Strategic and Government Relations for Cellular South; Doug Minster, Vice President, Government and Regulatory Affairs for Atlantic Tele-Network, Inc.; Grant Spellmeyer, Senior Director, Legislative & Regulatory Affairs for U.S. Cellular; Tim Donovan, Vice President, Legislative Affairs for Rural Cellular Association (RCA); In-Sung Yoo, Assistant Legislative & Regulatory Counsel for RCA; Matthew Brill of Latham & Watkins LLP, counsel to RCA; David LaFuria of Lukas, Nace, Gutierrez & Sachs, LLP; and the undersigned met with Sharon Gillett and Carol Matthey of the Wireline Competition Bureau; Jim Schlichting and Ruth Milkman of the Wireless Telecommunications Bureau; Zachary Katz from the Office of the Chairman; and Michael Steffen of the Office of General Counsel, to discuss RCA's views on the potential use of reverse auctions and other aspects of Universal Service Fund reform.

At the meeting, the assembled representatives of the competitive carrier industry expressed support for a cost-model approach to funding allocation, and emphasized the efficiency gains of truly portable funding that would direct support to those carriers that successfully capture customers. Adherence to a system that embraces portability of funding could control costs without resorting to phaseouts of funding to competitive carriers. The carrier representatives also restated concerns that a reverse auction or competitive bidding mechanism for distributing support is anticompetitive, including concerns that "zero-bids" by larger carriers could effectively wipe out competition, and urged the Commission to ensure substantial safeguards to protect against any such "gaming" of an auction process, if ultimately utilized. The carrier representatives encouraged the Commission to integrate enforceable accountability measures into the auction terms to make sure bidding parties will be held to their commitments in a meaningful manner. The carrier representatives strongly

urged the Commission to adopt a portable funding mechanism based on cost-modeling rather than utilizing reverse auctions or competitive bidding.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

/s/

Steven K. Berry  
President and CEO

cc: Sharon Gillett (via email)  
Carol Matthey (via email)  
Jim Schlichting (via email)  
Ruth Milkman (via email)  
Zachary Katz (via email)  
Michael Steffen (via email)