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June 21, 2011

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation; *In the Matter of Connect America Fund,* WC Docket No. 10-90, *A National Broadband Plan for our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92.

Dear Ms. Dortch:

On June 20, 2011, on behalf of OmniTel Communications, Inc. ("OmniTel") and Tekstar Communications, Inc. ("Tekstar"), I had a telephone conversation with Douglas Slotten of the Wireline Competition Bureau related to the above-referenced dockets. The purpose of the call was to follow on the May 9, 2011 *ex parte* filed on behalf of OmniTel and Tekstar, which urged the Commission in addressing its traffic stimulation concerns to ensure that any new rate benchmarking rules for competitive local exchange carriers ("LECs") were competitively-neutral. More specifically, the staff inquired about interstate access rate differentials in states across the country among Bell Operating Companies ("BOCs") and non-BOC (independent) incumbent LECs. Under the Commission's proposed rule, a competitive LEC would benchmark its rate to the BOC rate in that state except in states where no BOC exists, in which case the rate would be benchmarked to the rate of the independent incumbent LEC with the largest number of access lines in the state.

From our research, we found that BOC rates were largely similar for the identical functionalities, with the terminating rate without tandem switching functionality and minimal transport to be between approximately \$0.0035 and \$0.004 per minute of use – which is about 10% of what OmniTel and Tekstar could charge today as a rural competitive LEC under the Commission's rules. (This is significantly below the usual BOC terminating rate of approximately \$0.0055, which includes tandem switching functionality.) Our research identified one BOC interstate access rate as an anomaly – specifically, the PacBell terminating rate, which is more than double the BOC rate in other states and above the rates of other price-cap (incumbent) LECs in that area because of a large shared transport charge. The Commission can act, consistent with the public interest, its current benchmarking rules, and its objectives in these proceedings, to address this anomaly by having competitive LECs benchmark to the lowest of the BOC rate or that of any price-cap LEC in a state.

Please contact me if you have further questions.

This letter is being filed electronically pursuant to section 1.1206 of the Commission's rules.

Sincerely,

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cc: A. Lewis
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D. Slotten