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July 21, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: High-Cost Universal Service Support, WC Docket No. 05-337
Universal Service Contribution Methodology, WC Docket No. 06-122

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceedings. On July 20, 2011, undersigned counsel met with Amy Bender and Joe Cavender of the Telecommunications Access Policy Division, Wireline Competition Bureau ("WCB"), and Amy Beier, an intern at the WCB, on behalf of United States Cellular Corporation, PR Wireless, Inc. d/b/a Open Mobile, Cellular South, Inc., MTPCS, LLC d/b/a Cellular One and Union Telephone Company d/b/a Union Cellular (the "Wireless Companies").

The purpose of the meeting was to discuss Verizon Wireless' Petition for Reconsideration ("Petition") of the letter dated April 1, 2011, from Sharon Gillett, Chief of the Wireline Competition Bureau ("WCB Letter") providing guidance to the Universal Service Administrative Company ("USAC") regarding the implementation of carrier-specific caps adopted in the orders approving the AT&T-Dobson and ALLTEL-Atlantis mergers in 2007.

During the meeting, counsel reiterated the Wireless Companies' position that the WCB Letter correctly concluded that the retroactive implementation of the carrier-specific caps will not alter the March 2008 Interim CETC Cap amounts. In addition, counsel responded to an argument Verizon Wireless raised for the first time in its reply comments. Specifically, Verizon Wireless argued that the retroactive implementation of the company-specific caps must result in downward adjustments to the Interim CETC Cap because the company-specific caps were adopted before the Interim CETC Cap rule was adopted, and therefore the caps did not have to conform to the latter rule by leaving the March 2008 cap levels untouched.

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On the contrary, the timing of the company-specific caps before or after the Interim CETC Cap has no bearing on the WCB Letter's conclusion that their retroactive implementation should affect March 2008 cap levels, for two reasons. First, the Commission has previously held that March 2008 cap levels may only be adjusted by an amendment to the Interim CETC Cap rule or through routine corrections and true-ups in the ordinary course. A decision to retroactively implement company-specific caps constitutes neither a new rule nor a correction/true-up. Second, the timing of the company-specific caps does nothing to alter the Commission's key holding in *Corr Wireless*: when companies agree to high-cost support reductions as a condition of merger approval, such companies "remain eligible for high-cost support, even though they have agreed to surrender such support." Accordingly, the WCB Letter correctly concluded that the amounts for which the companies were eligible as of March 2008 shall not be affected.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,



David A. LaFuria
Steven M. Chernoff

cc: Joseph Cavender, Esq.
Amy Bender, Esq.