



National Cable & Telecommunications Association
25 Massachusetts Avenue, NW – Suite 100
Washington, DC 20001
(202) 222-2300
www.ncta.com

Jennifer K. McKee
Vice President and Associate General Counsel

(202) 222-2460
(202) 222-2446 Fax

August 3, 2011

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

Re: 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
High-Cost Universal Service Support, WC Docket No. 05-337
Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92
Federal-State Joint Board on Universal Service, CC Docket No. 96-45
Universal Service Contribution Methodology, WC Docket No. 06-122

Dear Ms. Dortch:

On August 2, 2011, on behalf of the National Cable & Telecommunications Association (NCTA), Steve Morris and I met with Christine Kurth, Policy Advisor and Wireline Counsel for Commissioner McDowell, to discuss issues related to the above-captioned dockets. Specifically, we discussed the recent universal service high-cost support and intercarrier compensation proposal submitted by a group of large and mid-sized incumbent local exchange carriers (the Telco Proposal). We expressed our support for certain aspects of the Telco Proposal, such as limiting high-cost support to no more than \$4.5 billion per year; eliminating support in areas where an unsubsidized provider offers service; and proposing a specific timeframe for unifying terminating intercarrier rates, including rates for voice over Internet protocol (VoIP) traffic. We also raised concerns with portions of the proposal that favor incumbent local exchange carriers, such as providing incumbents a right-of-first refusal to receive support for broadband and retaining rate-of-return regulation for an indefinite period of time. We recommended that the Commission's reform efforts take into account competitive providers and consumers, rather than focusing solely on incumbent carriers. We also discussed the need for reform of the universal service contribution system.

Respectfully submitted,

/s/ **Jennifer K. McKee**

Jennifer K. McKee

cc: C. Kurth