



August 15, 2011

Ex Parte Notice

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

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 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

On Friday, August 12, 2011, Paul Cooper of Fred Williamson Associates, Jeff Dupree of the National Exchange Carrier Association (NECA), Michael Romano of the National Telecommunications Cooperative Association (NTCA), Stuart Polikoff of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), Derrick Owens of the Western Telecommunications Alliance (WTA), and the I (collectively, the Rural Associations) met with Sharon Gillette, Brad Gillen, Patrick Halley, Rebekah Goodheart, Jenny Prime, Katie King, Steve Rosenberg, and Albert Lewis of the Wireline Competition Bureau to discuss the above-captioned proceedings. Robert DeBroux of TDS joined the meeting by telephone. Separately, Mr. Romano met with Ms. Goodheart earlier today to discuss the same issues as described below.

The Rural Associations discussed the letter filed by the Rural Associations and other industry participants in the above-captioned dockets on July 29, 2011, and emphasized the negotiated compromises accepted by the signatories that enabled the industry consensus reflected in that letter; the Rural Associations explained that the careful balance of interests reflected in the letter are intended to address the Commission's interest in establishing a target budget for Universal Service Fund (USF), intercarrier compensation (ICC), and Connect America Fund (CAF) reform while promoting further broadband deployment, and that adjustments perceived as substantive by signatories could damage the achieved consensus (*see*, Letter from Walter B. McCormick, Jr., President and CEO, United States Telecom Association; Robert W. Quinn, Jr., Senior Vice-

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President - Federal Regulatory & Chief Privacy Officer, AT&T; Melissa Newman, Vice-President - Federal Regulatory Affairs, Public Policy, and Government Relations, Century Link; Michael T. Skrivan, Vice President - Regulatory, FairPoint Communications; Kathleen Q. Abernathy, Chief Legal Officer and Executive Vice President - Regulatory and Government Affairs, Frontier; Kathleen Grillo, Senior Vice President, Federal Regulatory Affairs, Verizon; Michael D. Rhoda, Senior Vice President - Government Affairs, Windstream; Shirley Bloomfield, Chief Executive Office, National Telecommunications Cooperative Association; John Rose, President, OPASTCO; and Kelly Worthington, Executive Vice President, Western Telecommunications Alliance, to Chairman Julius Genachowski, Commissioner Michael J. Copps, Commissioner Robert M. McDowell, and Commissioner Mignon Clyburn, Federal Communications Commission (Jul. 29, 2011) (Industry Consensus Letter)).

The Rural Associations discussed current on-going work that is intended to produce more detailed analyses of the proposals set forth by the Rural Associations in their April 18, 2011, comments in the above-captioned dockets, as modified by the Industry Consensus Letter. The Rural Associations also discussed similar efforts to explore permutations offered by the recent Public Notice issued by the Commission in these proceedings (*see*, "Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding," Public Notice DA 11-1348, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket No. 01-92, 96-45; GN Docket No. 09-51 (Aug. 3, 2011)).

The Rural Associations emphasized the need for adequate recovery mechanisms that align with adjustments to ICC rate changes, and the need to ensure that solutions for phantom traffic are crafted to meet not only current network and market characteristics, but future environments, as well.

Pursuant to Section 1.1206 of the Commission's rule, a copy of this letter is being filed via ECFS with your office. Please do not hesitate to contact me if you have any questions or require additional information.

Submitted respectfully,

/s/ Joshua Seidemann
Joshua Seidemann
Director, Policy

cc: Sharon Gillette
Brad Gillen
Patrick Halley
Rebekah Goodheart
Jenny Prime
Katie King
Steve Rosenberg
Albert Lewis