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GEOFFREY G. WHY
COMMISSIONER

September 16, 2011

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

Ex Parte Notice

***In the Matter of Further Inquiry Into Certain Issues In the Universal Service-
Intercarrier Compensation Transformation Proceeding, WC Docket Nos. 10-90, 07-
135, 05-337, 03-109; CC Docket No. 01-92, 96-45, GN Docket No. 09-51;***

***In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11-
42; 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 Wednesday, September 14, 2011, FCC Commissioner Mignon Clyburn and her Policy Advisor, Wireline, Angela Kronenberg, met with Massachusetts Department of Telecommunications and Cable (MDTC) Commissioner Geoffrey G. Why and Hearing Officer Kalun Lee at FCC offices in Washington, D.C. Also in attendance was J. Bradford Ramsay, General Counsel, National Association of Regulatory Utility Commissioners (NARUC).

Commissioner Why discussed points consistent with recent MDTC comments filed in the above-referenced dockets and provided the attached document to those in attendance as the basis for the discussions.

Commissioner Why addressed state preemption concerns and emphasized the continuing need for state agencies to ensure enforcement and oversight of carrier-of-last-resort (COLR) obligations, eligible telecommunications carrier (ETC) designations, and

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intrastate rate-setting. This continued state oversight, Commissioner Why asserted, would best protect consumers and local competitive markets due to state commissions' intimate knowledge of local conditions and needs.

Commissioner Why noted that, as to intrastate access termination rates, Massachusetts has already rebalanced intrastate access rates to match the interstate rates of the state's dominant incumbent local exchange carrier (ILEC), and that the state permits carriers to charge higher rates if they can show a valid cost basis for them. Commissioner Why also emphasized that, as to intrastate access termination rates, Massachusetts has already addressed concerns regarding arbitrage by rebalancing the intrastate rate to match the interstate rate of the dominant ILEC in Massachusetts.

Commissioner Why also mentioned Massachusetts' status as a net-payor state and discussed a more equitable disbursement of the federal Universal Service Fund (USF), especially as the FCC considers expanding funding to rural and high-cost areas for broadband deployment in rural and high-cost areas.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (617) 368-1101.

Sincerely,

/s/ Karlen Reed
Karlen Reed, Director
Competition Division

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KJR/kr

Enc.

cc: Commissioner Mignon Clyburn (w/enc.)
Ms. Angela Kronenberg (w/enc.)
J. Bradford Ramsay, Esq. (w/enc.)