



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

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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

Dear Ms. Dortch:

On October 12, 2011, Ross Lieberman of the American Cable Association (ACA), Thomas Cohen of Kelley Drye & Warren LLP on behalf of ACA, and James Assey, Steve Morris and I of the National Cable & Telecommunications Association (NCTA) met with Zac Katz, Chief Counsel and Senior Legal Advisor to Chairman Genachowski, Sharon Gillett, Carol Matthey, Rebekah Goodheart, Amy Bender and Patrick Halley of the Wireline Competition Bureau, and Michael Steffen of the Office of General Counsel to discuss issues related to the above-captioned dockets. We discussed the Commission's ongoing efforts to reform the universal service high-cost support mechanism and the intercarrier compensation regime.

Specifically, we discussed proposals to offer a right of first refusal for high-cost support to price cap-regulated incumbent local exchange carriers (LECs) and reiterated our position that such a right of first refusal would violate the universal service principle of competitive neutrality. To the extent the Commission were to adopt such a right of first refusal, the Commission should ensure that it does not preclude competitors from receiving support, and should adopt the proposals submitted by ACA and NCTA to limit any incumbent LEC right of first refusal to no more than \$600 million in support, and to offer it only in largely unserved areas where broadband deployment is most needed. We discussed broadband speed requirements for networks deployed under the right of first refusal, and the need for stringent enforcement mechanisms and penalties if broadband build-out milestones under the right of first refusal are not met. We also discussed the need to ensure that universal service high-cost support is not used for broadband deployment in areas where incumbent LECs, such as CenturyLink and Frontier, have committed to deploy broadband without support pursuant to merger commitments.

Ms. Marlene H. Dortch

October 14, 2011

Page 2

We emphasized the importance of ensuring that high-cost support does not exceed a firm budget of \$4.5 billion per year. We also discussed targeting high-cost support received by rate-of-return regulated incumbent LECs to areas without substantial competitive entry by unsubsidized providers.

With respect to intercarrier compensation reform, NCTA discussed a transition for the reduction of terminating rates to a low, uniform rate of \$0.0007 as proposed by the incumbent LECs in the ABC Plan, or ultimately adopting bill and keep for terminating rates. NCTA also discussed the need to ensure that all competitive LECs are able to receive compensation for terminating calls, regardless of the technology used by the end user of the call. In addition, NCTA discussed the importance of ensuring that transit facilities and services remain available and affordable. NCTA further discussed the need to promote efficient IP-based networks by allowing carriers to assess charges for converting TDM traffic to or from IP format.

Respectfully submitted,

/s/ Jennifer K. McKee

Jennifer K. McKee

cc: Z. Katz
S. Gillett
C. Matthey
R. Goodheart
A. Bender
P. Halley
M. Steffen