



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The Voice of Rural Telecommunications

www.ntca.org

December 9, 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; Universal Service Reform – Mobility Fund; WT Docket No. 10-208

Dear Ms. Dortch:

On Thursday, December 8, 2011, Jim Frame from the National Exchange Carrier Association, Stuart Polikoff from the Organization for the Promotion and Advancement of Small Telecommunications Companies, Robert DeBroux from TDS Telecom, and the undersigned on behalf of the National Telecommunications Cooperative Association (collectively, the “Rural Representatives”) met with Carol Matthey, Amy Bender, Patrick Halley, and James Eisner of the Wireline Competition Bureau (the “Bureau”) to discuss matters relating to the above-referenced proceedings.

Specifically, the Rural Representatives addressed the calculation of the national average cost per loop for purposes of High-Cost Loop support (“HCLS”), as affected by the regression analysis-based investment and operating expense caps adopted in the recent Order. The Rural Representatives urged the Federal Communications Commission (the “Commission”) and the Bureau to ensure that *all* support reductions resulting from application of these investment and operating expense caps to individual carriers will flow back into the total calculation of HCLS; the Rural Representatives also recommended that such recalculated support be made available to *all* eligible carriers. This is justified because the mechanism is already subject to an overall cap and the costs that are not recovered through such support will flow back to the state jurisdictions for potential cost recovery (*i.e.*, through local service rate increases), if any such cost recovery can be had. The Rural Representatives committed to provide additional information to the Bureau estimating how such an approach would affect the HCLS to be received by each carrier.

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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 (703) 351-2016 or mromano@ntca.org.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President - Policy

cc: Carol Matthey
Amy Bender
Patrick Halley
James Eisner