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December 16, 2011

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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 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:

The Commission's November 18, 2011 Order in the above-referenced proceeding adopted a number of changes to the Commission's rules governing Universal Service support and Intercarrier Compensation. In reviewing the Order, NECA has identified an inconsistency in Part 69 of the Commission's rules related to the apportionment of NECA administrative expenses that should be corrected.

Specifically, the Commission has implemented changes to the intercarrier compensation processes for rate of return carriers to implement new interstate Recovery Mechanisms. Revenues associated with the new support mechanism, however, were not included in the allocation base in section 69.603(g) for purposes of apportioning association Category I expenses among the various sub-categories. When the Commission implemented Interstate Common Line Support (ICLS), it modified section 69.603(g) of its rules to include ICLS revenues in the allocation of association expenses to Category I.B. For consistency, revenues associated with the new interstate Recovery Mechanism should be included in the allocation of association expenses to Category I.C. NECA suggests the following sentence be appended to section 69.603(g): "Beginning July 1, 2012, Connect America Fund Intercarrier Compensation Support revenues and Access Recovery Charge revenues shall be included in the allocation base for Category I.C. expenses."

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey E. Dupree". The signature is written in a cursive, flowing style.

cc: Sharon Gillett  
Albert Lewis