Malena F. Barzilai
Regulatory Counsel / Director, Federal Government Affairs
Windstream Communications, Inc.
1101 17th Street, N.W., Suite 802
Washington, DC 20036

(202) 223-4276
malena.barzilai@windstream.com

December 23, 2011

VIA ELECTRONIC FILING ***EX PARTE***

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *WC Docket No. 10-90, Connect America Fund; GN Docket No. 09-51, National Broadband Plan for our Future; WC Docket No. 07-135, Establishing Just and Reasonable Rates for Local Exchange Carriers; WC Docket No. 05-337, High-Cost Universal Service Support; CC Docket No. 01-92, Developing a Unified Intercarrier Compensation Regime; CC Docket No. 96-45, Federal State Joint Board on Universal Service; WC Docket No. 03-109, Lifeline and Link-Up*

Dear Ms. Dortch:

On December 22, 2011, Jennie Chandra and Eric Einhorn from Windstream Communications, Inc., Mike Saperstein from Frontier Communications Corp., and Jeff Lanning from CenturyLink Inc. met with Mark Stone, Chief of Staff for Commissioner Michael J. Copps, and Lisa Hone, Commissioner Copps' wireline advisor.

The company representatives (hereinafter the "mid-sized price cap carriers") urged the Commission to revisit the decision in its recent Universal Service/Intercarrier Compensation Transformation Order to adopt bill-and-keep as the immediately applicable default compensation methodology for non-access traffic between CMRS providers and local exchange carriers ("LECs") under section 20.11 and Part 51 of the Commission's rules.[1] Consistent with their

---

[1] *See Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, at ¶¶ 988-1002 (rel. Nov. 18, 2011).

previous filings on this matter, which were distributed at the meeting and are attached hereto,[2] the mid-sized price cap carriers explained that the new rule will have a significant negative financial impact on their companies, because they have interconnection agreements that cover the vast majority of their CMRS-LEC intraMTA traffic and provide for reciprocal compensation at rates substantially higher than $0.0007. Moreover, this negative impact will be unmitigated for the first half of 2012. The transition to bill-and-keep occurs immediately, while the access recovery mechanism ("ARM") designed to provide recovery for reduced intercarrier compensation revenues is not implemented until July 1, 2012.[3]

The mid-sized price cap carriers further expressed concern that the Commission's new rule requiring immediate bill-and-keep for CMRS-LEC intraMTA traffic unintentionally may create a new arbitrage opportunity. Since the rates for CMRS-LEC intraMTA traffic will not be reduced in accordance with the transition applicable to other types of traffic, dishonest carriers may be motivated to classify other types of traffic as CMRS-LEC intraMTA traffic. In addition, the new rule presents a significant implementation challenge, because carriers must change billing systems and revise hundreds of interconnection agreements in short order.

To minimize the negative impact of the rule, the mid-sized price cap carriers supported the proposal to delay implementation of the rule until July 1, 2012, coinciding with implementation of the ARM. The mid-sized carriers also emphasized that if the Commission pursues a six-month delay of the rule, it must adopt measures to make certain that during the delay CMRS carriers will continue to exchange traffic with LECs at their current rates. The carriers stressed that it is critical that the Commission ensure that arbitrage schemes do not emerge during the implementation of the delay.

Sincerely yours,

/s/ Malena F. Barzilai

Malena F. Barzilai

cc: Mark Stone
Lisa Hone

---

[2] Letter from Karen Brinkmann, Counsel to CenturyLink, Fairpoint Communications, Inc., Frontier Communications Corp., and Windstream Communications, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket Nos. 10-90, 07-135, 05-337, GN Docket No. 09-51, CC Docket No. 01-92 (December 14, 2011); Letter from Jeffrey S. Lanning, CenturyLink, Michael T. Skrivan, Fairpoint, Michael D. Saperstein, Frontier, and Jennie B. Chandra, Windstream, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-90, 07-135, 05-337, GN Docket No. 09-51, CC Docket No. 01-92 (December 20, 2011).

[3] *See* Section 51.915(f) of the FCC's new rules.