

Cheryl L. Parrino, LLC
Parrino Strategic Consulting Group

April 12, 2012

VIA ELECTRONIC FILING

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

Re: *In the Matter of a National Broadband Plan for Our Future*, GN Docket No. 09-51, *Connect America Fund*, WC Docket No. 10-90, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, and *Developing an Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92

Dear Ms. Dortch:

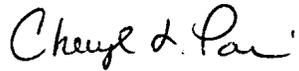
On April 11, 2012, Ken Pfister of Great Plains Communications, Wendy Thompson Fast of Consolidated Companies of Nebraska, Edit Kranner of Consortia Consulting, Inc., Peter Bluhm of Rolka Loube Saltzer Associates, and I met with James Eisner, Sharon Gillett, Patrick Halley, Trent Harkrader, Katie King, Carol Matthey, Steve Rosenberg, Gary Seigel, Craig Stroup, and Roger Woock of the WCB on behalf of the Nebraska Rural Independent Companies (“NRIC”) to discuss the NRIC recommendations to improve the FCC’s proposed regression-based caps for rate-of-return companies’ federal universal service funding.

We indicated that if the FCC is determined to implement cost caps this summer a number of changes should be made. We recommended that at a minimum the staff should adopt a procedure for correcting exchange boundary data, modify the regression equation to use cost per loop as the dependent variable and to include density as an independent variable, consolidate the caps into one overall cost per loop cap or at most one for investment and one for expenses, and apply consistent adjustments to the HCL formula when investment or expenses are capped. We discussed how annual recalculation of the cap leads to uncertainty and a hesitancy to invest; however, we did acknowledge that updating the equation more frequently than every ten years had some merit. We also provided a revised equation for consideration. Finally, we urged the staff to take the time necessary to obtain more reliable exchange boundary data and to collect data that reflects regional cost differences.

April 13, 2012
NRIC Regression Improvement Ex Parte 041112
Page 2

The specific recommendations and issues discussed with the staff are detailed in Attachment A to this filing. A list of states that maintain exchange boundary maps along with the links to the websites were provided to the staff and that document is included as Attachment B.

Sincerely,



Cheryl L. Parrino

CLP: NRIC Regression Improvement Ex Parte 041312

Cc: Sharon Gillett
Patrick Halley
Trent Harkrader
Katie King
Carol Matthey
Steve Rosenberg
Gary Seigel
Craig Stroup
Roger Woock