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# LATHAM & WATKINS LLP

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April 26, 2012

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: *Notice of Ex Parte Presentation*, CC Docket Nos. 01-92 and 96-45; WC Docket Nos. 10-90, 07-135, 05-337, and 03-109; WT Docket No. 10-208; GN Docket No. 09-51**

Dear Ms. Dortch:

On April 24, 2012, Steven Berry and Rebecca Thompson of RCA — The Competitive Carriers Association (“RCA”) and the undersigned met with Amy Bender, Ted Burmeister, Patrick Halley, and Trent Harkrader of the Wireline Competition Bureau together with Erik Salovaara of the Wireless Telecommunications Bureau regarding the pending Further Notice of Proposed Rulemaking in the above-captioned dockets.

RCA argued that the existing support allocated for Phase II of the Mobility Fund will be inadequate to achieve vital universal service goals and that the Commission should use the further rulemaking to make additional funding available to competitive wireless providers. RCA further explained that inadequate funding levels for recurring operational expenses would jeopardize competitive carriers’ ability to participate in Phase I of the Mobility Fund in light of significant uncertainties regarding future cost recovery.

Consistent with its comments and reply comments, RCA proposed that support foregone by price cap carriers that decline to exercise their statewide right of first refusal with respect to Connect America Fund support should be reallocated to the Mobility Fund. RCA further argued that the Commission should free up additional funds to support mobile wireless services by eliminating excessive support flowing to rural incumbent LECs, including by lowering the prescribed rate of return and limiting permissible recovery levels for capital and operating expenses.

RCA reiterated its position that Phase II Mobility Fund support should be allocated based on a forward-looking cost model, with portable, success-based support determined on a per-

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“line” basis. Alternatively, if the Commission decides to rely on a reverse auction mechanism, RCA urged the Commission to establish bidding credits and other mechanisms to protect smaller carriers from foreclosure strategies and other anticompetitive conduct undertaken by the two dominant national wireless providers. RCA suggested that a carrier’s operating history may be relevant to its qualification to participate in an auction, but letters of credit should not be required because they unnecessarily tie up capital that would be more productively used to support network investments and ongoing operations.

Please contact the undersigned if you have any questions regarding these issues.

Sincerely,

*/s/ Matthew A. Brill*

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