

MONROE TELEPHONE COMPANY

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Received & Inspected

APR 23 2012

FCC Mail Room

April 20, 2012

Ms Sharon Gillett
Chief, Wireline Competition Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket 96-45, WC Docket No. 03-109
Written Ex Parte Communication

Dear Ms. Gillett:

Monroe Telephone Company, Inc. (Monroe) hereby notifies the Federal Communications Commission (FCC or Commission) of its intent to seek waiver of rules limiting reimbursable capital and operating costs if the Wireline Competition Bureau adopts the proposed quantile regression analysis methodology for High Cost Loop Support and Interstate Common Line Support. This methodology is currently under consideration in the Further Notice of Proposed Rulemaking (FNPRM) in the USF-ICC Order.

Our review of the probable impacts of this proposed regression analysis provided Monroe by our cost consultant, shows the recovery of our reimbursable capital and operating costs would be arbitrarily restricted beginning July 1, 2012. The apparent reason for this cash flow restriction appears to be based in the spending Monroe has undertaken the past several years to meet the expectations of the Federal Government to provide acceptable telecom and high-speed broadband services to our consumers in rural Oregon.

This spending was through a business plan and loans approved and financed by the Rural Utility Services (RUS) arm of the United States Department of Agriculture (USDA). These loans were made based on rules in place at the time of approval and furthered the objectives of universal service set forth in the Communications Act of 1934, as amended, as well as those of the National Broadband Plan.

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Monroe sincerely urges the Commission to rethink the path it is traveling and not adopt a rule embodying a regression analysis that penalizes a company without reviewing whether the company acted prudently or acted in a manner consistent with the public interest. This goes beyond the fact that comment after comment have demonstrated that the methodology under consideration is fundamentally flawed. The proposed rule is simply not in the public interest and appears on its face to be arbitrary. However, if the quantile regression analysis rule is adopted, it is evident that good cause would exist for waiver of the rule for Monroe.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J T Dillard". The signature is written in a cursive, flowing style.

John T. Dillard
President