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VIA ECFS ***EX PARTE***

June 18, 2012

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

Re: *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25; *Petition of Windstream Nebraska, Inc., Windstream Sugar Land, Inc., and Valor Telecommunications of Texas, LP d/b/a Windstream Communications Southwest for Pricing Flexibility as Specified in § 69.727 of the Commission's Rules for the Houston, TX MSA, Lincoln, NE MSA and Tulsa, OK MSA* (WCB/Pricing Docket No. 12-06)

Dear Ms. Dortch:

On June 14, 2012, Jennie Chandra, and I, from Windstream Communications, Inc. ("Windstream"), met with Angela Kronenberg, Legal Advisor to Commissioner Mignon Clyburn, regarding the above-referenced proceedings.

Windstream called for the Commission to grant its pending pricing flexibility petition.[1] As explained in the meeting, Windstream's pending pricing flexibility petition satisfies the collocation "triggers" set forth in the Commission's rules, and the requested relief would benefit customers by making it possible for the company to provide flexible service plans—including term and volume discounts—that customers are demanding. Relief would permit Windstream to offer individual customers *lower* prices than otherwise possible under existing price cap rules, and thus would be consistent with the Commission's intention that pricing flexibility "foster competition and allow market forces to operate where they are present."[2]

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[1] *Petition of Windstream Nebraska, Inc., Windstream Sugar Land, Inc., and Valor Telecommunications of Texas, LP d/b/a Windstream Communications Southwest for Pricing Flexibility as Specified in § 69.727 of the Commission's Rules for the Houston, TX MSA, Lincoln, NE MSA and Tulsa, OK MSA, WCB/Pricing Docket No. 12-06 (filed January 26, 2012).*

[2] *Access Charge Reform*, CC Docket No. 96-262, Fifth Report and Order, 14 FCC Rcd 14221, ¶ 26 (1999) (Pricing Flexibility Order).

Moreover, granting Windstream pricing flexibility would place the company on a more level playing field with other incumbent local exchange carriers ("ILECs") that already have received pricing flexibility in some of the same markets for which Windstream seeks flexibility. For example, AT&T has Phase II pricing flexibility in the Houston MSA and thus can offer customers market-wide term and volume plans, while Windstream cannot do so because it lacks pricing flexibility in its ILEC service areas within the market.

In addition, Windstream noted that its pending petition should not be viewed as an endorsement of the current pricing flexibility rules, and that Windstream supports reexamination of the special access pricing regime. In particular, Windstream is concerned that some ILECs that already have received Phase II pricing flexibility will use this flexibility to increase prices significantly, with little notice to purchasers, while more comprehensive special access reform is under Commission consideration.

Pending the conclusion of more comprehensive special access reform, Windstream asserted that the most rational, fair approach would be to (1) grant the pending pricing flexibility petitions, thereby placing all ILECs that have sought pricing flexibility under the current rules on an even playing field; and (2) ensure, as an *interim* measure, that further increases in special access rates are not effectuated by any carrier that has or may soon have Phase II pricing flexibility. Existing special access rates would not be reduced under this second step; this measure only would prevent additional, harmful price *increases* while more comprehensive reform is pending. Effectively Windstream's recommendations would maintain the status quo for special access purchasers and sellers—reducing uncertainties that otherwise could discourage new broadband investments in the near term.

Finally, Windstream voiced support for Commission collection of data that will enable a comprehensive assessment of competitive access issues. Windstream recognized that the upcoming data request could produce useful information to inform more sweeping reforms. The data request, however, need not precede the measures proposed above—as actions to further increase special access rates in the near term in and of themselves offer tangible evidence that the pricing flexibility triggers are broken and require correction.

Please feel free to contact me if you have any questions or need more information.

Sincerely yours,

/s/ Malena F. Barzilai

Malena F. Barzilai

cc: Angela Kronenberg