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July 13, 2012

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

**RE: WC Docket Nos. 10-90, 07-135, 05-337 and 03-109, GN Docket No. 09-51 and
CC Docket Nos. 01-92 and 96-45**

Dear Ms. Dortch:

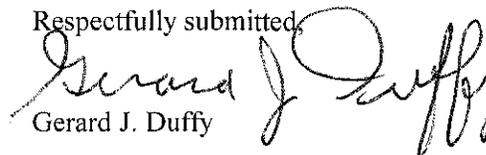
On July 12, 2012, Robert DeBroux, Derrick Owens and Gerard Duffy representing the Western Telecommunications Alliance ("WTA") met with Nicholas Degani, Legal Adviser, Wireline to Commissioner Ajit V. Pai. The focus of the discussion was upon the unpredictability and other defects of the Wireline Bureau's Quantile Regression Analysis ("QRA") benchmarks and the adverse impacts they are having upon the infrastructure investment projects and plans of WTA's rural telephone company ("RLEC") members.

Specific topics of discussion included: (1) the inherent uncertainties and inequities of applying benchmarks that will be recalculated every year or every few years to capital investment projects having useful lives of 20 years or more; (2) the current lack of transparency of the QRA mechanism and its inputs and workings, such that RLECs and their consultants have been unable to estimate reliably the types and amounts of changes in capital expenditures and operating expenses that will adversely impact the support of particular RLECs; (3) the arbitrary nature of the 90th percentile dividing line, and its departure from the "two standard deviation" criterion used in other universal service matters; (4) the problems inherent in implementing the QRA mechanism with knowingly inaccurate study area boundary data, and the major uncertainties regarding changes in benchmarks when the QRA mechanism is recalculated with more accurate study area boundary data in 2014 or so; (5) questions whether the QRA mechanism has been tested using several different years of data, to determine its volatility; and (6) the specific purposes of the QRA mechanism, and whether such purposes are substantially met by existing target budgets, the High Cost Loop Support cap, and audit mechanisms.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceedings.

Respectfully submitted,

Gerard J. Duffy



cc: Nicholas Degani