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VIA ECFS

EX PARTE

October 24, 2012

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

Re: *WC Docket No. 10-90, Connect America Fund; WC Docket No. 05-337, High-Cost Universal Service Support*

Dear Ms. Dortch:

On October 22, 2012, Eric Einhorn and I, from Windstream Corporation (“Windstream”), met with Christine Kurth, wireline legal advisor to Commissioner Robert McDowell, to discuss Windstream’s Petition for Waiver (“Petition”) in the above-referenced proceedings,¹ as well as an expected Notice of Proposed Rulemaking on the 2013 Connect America Fund (“CAF”) Phase I program.

Windstream urged the prompt grant of its waiver request, so that Windstream may use all of its \$60.4 million CAF Phase I allocation for 2012 to extend 1,688 miles of fiber-optic, second-mile infrastructure that would bring broadband service to 16,981 unserved locations in 15 states.

With regard to CAF Phase I for 2013, Windstream reiterated that the Commission should not reopen the questions of whether the program should provide for another round of funding if it does not have CAF Phase II in place by the start of 2013 or whether any unused funds from 2012 should be spent elsewhere. Windstream noted that CAF Phase I is intended specifically to address the systemic underfunding of price cap service areas relative to similar areas served by rate-of-return carriers, and that the Commission has recognized that price cap carriers “are in a unique position to deploy broadband rapidly and efficiently in their service areas.”² CAF Phase I presents the best avenue for accelerated deployment of broadband in the near term.

¹ Windstream Election and Petition for Waiver, WC Docket Nos. 10-90 and 05-337 (July 24, 2012).

² *Connect America Fund, et al.*, WC Docket Nos. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, ¶ 178 (rel. Nov. 18, 2011) (*Comprehensive Reform Order*).

Thus, all funds specified for price cap areas should remain allocated to price cap companies and a second round of CAF Phase I should continue as planned in 2013. Revised rules should permit support to be used to deploy/upgrade broadband wherever the specified 4/1 service is not available, and should include an option enabling each provider to invest its allocated funding based on the costs of deploying second mile fiber and equipment after all available locations at the \$775 level of support have been committed. The Commission should retain the current allocation method consistent with the previous regression analysis, and the \$300 million in CAF Phase I funding for 2013 should be supplemented by any 2012 CAF Phase I support that carriers were not able to accept due to overly restrictive program rules.

Please feel free contact me if you have any questions.

Sincerely yours,

/s/ Malena F. Barzilai

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cc: Christine Kurth