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December 21, 2012

Via Electronic Filing

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

Re: Notice of *Ex Parte* Presentation In the Matter of Connect America Fund WC Docket No. 10-90; A National Broadband Plan for Our Future GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers WC Docket No. 07-135; High-Cost Universal Service Support WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime CC Docket No. 01-92; Federal-State Joint Board on Universal Service CC Docket No. 96-45; Lifeline and Link-Up WC Docket No. 03-109; Universal Service Reform – Mobility Fund WT Docket No. 10-208

Dear Ms. Dortch:

On behalf of the Rural Broadband Alliance (“RBA”), I met with Priscilla Delgado Argeris, Legal Advisor to Commissioner Rosenworcel, on December 20, 2012. I expressed the appreciation of the RBA members for the observations that Commissioner Rosenworcel has set forth regarding the impact on investment in network infrastructure in rural areas that has resulted from the new Commission rules established in the *USF/ICC Transformation Order*.

The Commissioner’s comments were incorporated into her concurring statement to the Fifth Reconsideration Order issued on November 16, 2012, and reinforced in the Commissioner’s remarks made last week to the Practicing Law Institute’s 30th Annual Telecommunications Policy and Regulation Institute. In our discussion, I confirmed that, consistent with Commissioner Rosenworcel’s comments, the new rules are, in fact, discouraging rural carriers from making new infrastructure investments. As a result, rural providers have postponed plans to expand broadband services that would create new jobs and drive new economic development in the rural communities they serve.

In our discussion, I explained how the FCC’s new rules have placed rural service providers in jeopardy by reducing their recovery of the much-needed investments they have

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already made in their rural communities. I noted that the RBA had anticipated these concerns prior to the adoption of the new rules, and proposed to the Commission a “Transitional Stability Plan” that set forth a specific and detailed approach to manage a transition in the universal service mechanisms.

Recognizing that the submission of this proposal and the subsequent adoption of the *USF/ICC Transformation Order* occurred prior to Commissioner Rowsenworcel’s joining the Commission, I summarized the key aspects of the RBA’s “Transitional Stability Plan.” The mechanisms proposed by the RBA produce results that are consistent with the Commission’s articulated objectives. The adoption of the proposal would have avoided - and still could ameliorate - the chill on rural infrastructure investment and the financial instability of the rural telecom industry that has resulted from the new rules that were adopted. I suggested that with minor modifications, the Commission could utilize the “Transitional Stability Plan” to achieve Commissioner Rosenworcel’s objective to simplify the rules in a manner that is both fiscally sound and good for rural consumers while also providing incentives to investment.

I am providing as attachments to this letter two documents that I referenced at the meeting, both of which were previously filed in these proceedings: the first is a summary of the “Transitional Stability Plan;” and the second is entitled “Transitional Stability Plan Option” which was initially filed in these proceedings as an attachment to the April 18, 2011 Comments of the RBA.

I am filing this letter electronically with your office for inclusion in the record of each of the above-referenced proceedings pursuant to the Commission’s Rules. If you have any questions, please do not hesitate to contact me at 202-333-1770.

Sincerely,

s/ Stephen G. Kraskin

Attachments

cc: Priscilla Delgado Argeris