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January 31, 2013

Via ECFS

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

Re: Notice of Return of Connect America Fund, Phase I Incremental Support by Consolidated Communications, Inc.
Connect America Fund, WC Docket No. 10-90; *High-Cost Universal Service Support*, WC Docket No. 05-337

Dear Ms. Dortch:

On behalf of Consolidated Communications, Inc. (“Consolidated”), we hereby notify the Federal Communications Commission (“FCC”) of Consolidated’s decision to return all of the Phase I incremental support it received to date from the Connect America Fund (“CAF I”).

As a price cap local exchange carrier, Consolidated was eligible to receive incremental support from CAF I.¹ On April 25, 2012, the FCC issued a public notice announcing that Consolidated would receive \$421,247 in CAF I incremental support.² As required by the rules, Consolidated prepared to utilize these funds to construct and deploy broadband service in unserved areas and on July 24, 2012, notified the FCC and USAC of its acceptance of the funding.³ However, the company was subsequently notified by the FCC that some of the proposed service areas listed in its capital improvement plans were identified as being currently served by other broadband providers, and thus Consolidated could not use the funding for broadband extension in those areas.

After a careful review of these developments and after finding no other alternative use for the funds, the company has determined that it will no longer be economically feasible to accept and use the CAF I incremental support funds at this time and is returning all funds received to date to the FCC. Should the FCC’s regulations regarding this or future

¹ 47 C.F.R. § 54.312(b).

² See Public Notice, Wireline Competition Bureau Announces Support Amount for Connect America Fund Phase One Incremental Support, WC Docket Nos. 10-90, 05-337, DA 12-639, at 4 (rel. April 25, 2012).

³ See Letter from Michael J. Shultz, Vice President, Regulatory & Public Policy, Consolidated Communications to Ms. Marlene Dortch, FCC, WC Docket No. 10-90 and 05-337 (filed July 24, 2012).

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rounds of CAF I funding be modified, Consolidated does not intend to waive any entitlement it may have to subsequent funding authorized by the FCC.

A copy of this letter is being filed with USAC and the affected state commissions. There are no affected Tribal governments. Should you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

/s/ Russell M. Blau
Russell M. Blau

Counsel to Consolidated Communications, Inc.

cc: Amy Bender, Deputy Division Chief, Telecommunications Access Policy
Division (via email)
Universal Service Administrative Company