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March 25, 2013

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

**Re: Notice of Ex Parte Contact, WC Docket Nos. 08-71 and 13-71**

Dear Ms. Dortch:

On March 21, 2013, Michael Shultz of Consolidated Communications Holdings Co. (“Consolidated”) and the undersigned met with Pamela Arluk, Deena Shetler, Douglas Slotten, and (by phone) Victoria Goldberg of the Pricing Policy Division, and with Alex Menard, Amy Bender, and Ted Burmeister of the Telecommunications Access Policy Division, concerning pending petitions in the two above-referenced dockets.

In WC Docket No. 13-71, SureWest Telephone (“SureWest”), a subsidiary of Consolidated, is seeking a waiver of the Part 61 and Part 69 rules to convert to price cap regulation, in compliance with 47 C.F.R. § 61.41(c)(2). During the meeting, Consolidated discussed its requested waivers and urged the Commission to complete action on the petition in time to permit SureWest to accomplish the proposed conversion at the same time as its 2013 annual access tariff filing.

Also, Consolidated and the Staff discussed the application of section 69.915 to SureWest following its proposed conversion to price caps. It was noted that, under subsection 69.915(b)(10), the Price Cap Traffic Demand Factor as of July 1, 2013, will be 81% (that is, 90% of 90%), whereas if SureWest had remained a rate-of-return carrier, its Baseline Adjustment Factor under subsection 69.917(b)(2) would have been 90.25% (95% of 95%). Because these rules have only been in effect for one year and the difference between the two factors is relatively small, Consolidated is not seeking a waiver of the prospective application of the Price Cap Traffic Demand Factor to SureWest in this proceeding. Consolidated notes, however, that in the event of future acquisitions of rate-of-return carriers by price cap carriers in subsequent years, the effect of converting between the two different access revenue recovery mechanisms may be much more substantial. Accordingly, this petition should not be viewed as precluding the ability of Consolidated or another petitioner to seek a waiver of the application of the Price Cap Traffic Demand Factor in future cases.

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In WC Docket No. 08-71, SureWest is seeking a waiver to permit it to receive high-cost universal service support for calendar year 2013 despite the late filing of its certification of eligibility under section 54.314. SureWest's acquisition by Consolidated in July 2012 caused its universal support status to change, as it became an affiliate of a price-cap carrier. This caused some confusion among SureWest's employees as to the applicable requirements for continuing to receive universal service support, and SureWest did not file its eligibility certification with the California Public Utilities Commission on a timely basis. Since then, SureWest has made the required certification and the California commission has transmitted a certification of SureWest's eligibility to this Commission. Consolidated explained that the interruption of SureWest's universal service support has impacted the company's finances and requested that the Commission grant the requested waiver as soon as possible, effective as of January 1, 2013, so that the company can continue to provide supported services to its customers without undue hardship.

Sincerely yours,

*/electronically signed/*

Russell M. Blau