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Via E-MAIL and ECFS

EX PARTE

June 27, 2014

Julie Veach (Julie.Veach@fcc.gov)
Chief – Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: WC Docket No. 12-61, *Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain Legacy Telecommunications Regulations*
WC Docket No. 07-204, *Petition of Qwest Corporation for Forbearance from Enforcement of the Commission's ARMIS and 492A Reporting Requirements Under 47 U.S.C. § 160(c); Petition of the Embarq Local Operating Companies for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain of ARMIS Reporting Requirements, et al.*
WC Docket No. 07-21, *Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain of the Commission's Cost Assignment Rules*

Dear Ms. Veach:

Windstream provides the following information in response to a request by the Wireline Competition Bureau staff that Windstream clarify how Windstream's Cost Assignment Forbearance Compliance Plan, which was previously submitted in these dockets, would apply to transactions

between Windstream's Independent LECs and affiliates of those LECs that may be subject to the separate affiliate rule set forth at 47 C.F.R. § 64.1903.

Windstream's Compliance Plan discusses its proposed procedures as relevant to forbearance from the FCC's affiliate transaction rules (47 C.F.R § 32.27) at page 5. As noted there, once the Commission's forbearance from the Commission's Rule 32.27 affiliate transaction requirements becomes effective, Windstream will instead record and price affiliate transactions in accordance with Generally Accepted Accounting Principles ("GAAP") or appropriate accounting standards that may modify or replace GAAP.

By this letter, Windstream clarifies that this approach would apply to affiliate transactions between Windstream's Independent LECs and its affiliates that are subject to Rule 64.1903, such as, for example, the sharing of personnel. This accounting approach would comply with the intent of rule to help ensure that regulated operations do not subsidize non-regulated affiliates. Windstream would also continue to comply with independent obligations unaffected by the cost assignment forbearance granted in the Commission's *USTelecom Forbearance Order*¹ and that may be applicable to certain types of affiliate transactions. For example, as explained at footnote 6 of its plan, Windstream is not currently seeking to take advantage of the forbearance relief granted in the *USTelecom Forbearance Order* from the Commission's Rule 64.1903 separate affiliate requirement. Accordingly, Windstream will still be subject to the provisions in Rule 64.1903(a)(3) governing the affiliate's acquisition of services from the local exchange carrier.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed in the appropriate docket.

Respectfully submitted,

/s/ Edward J. Cadieux

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¹ *Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain Legacy Telecommunications Regulations, et al.*, WC Docket No. 12-61, *et al.*, Memorandum Opinion and Order and Report and Order in WC Docket No. 10-132 and Further Notice of Proposed Rulemaking and Second Further Notice of Proposed Rulemaking, 28 FCC Rcd 7627 (2013) (*USTelecom Forbearance Order*), *appeal pending sub nom. Verizon and AT&T v. FCC*, No. 13-1220 (pet. for rev. filed July 15, 2013).