



December 16, 2014

Ex Parte Notice

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

RE: *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:

This letter is submitted by the undersigned associations in the above-referenced proceedings to urge further consideration and final action by the Federal Communications Commission (the “Commission”) in connection with an emergency petition (“Petition”) filed on July 7, 2014 by NTCA–The Rural Broadband Association (“NTCA”), the National Exchange Carrier Association (“NECA”), ITTA-The Voice of Midsize Communications Companies (“ITTA”), the Eastern Rural Telecom Association (“ERTA”), WTA-Advocates for Rural Broadband (“WTA”), Frontier Communications Corp., and Windstream Communications.¹ In the Petition, the parties sought relief from reductions in intercarrier compensation associated with the exchange of originating intrastate toll Voice over Internet Protocol (“VoIP”) traffic. The Commission sought comment on the Petition shortly thereafter in July,² with comments and reply comments filed in August.

¹ Emergency Petition for Waiver of NTCA, NECA, ITTA, ERTA, WTA, Frontier Communications Corp., and Windstream Communications, WC Docket Nos. 03-109, 05-337, 07-135, 10-90; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; WT Docket No. 10-208 (filed July 7, 2014).

² Wireline Competition Bureau Seeks Comment on Petition for Waiver of Section 51.903(a) Regarding Reductions in Intercarrier Compensation Rates for Originating Intrastate Toll Voice over Internet Protocol Traffic, DA 14-1001, WC Docket Nos. 03-109, 05-337, 07-135, 10-90; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; WT Docket No. 10-208 (rel. July 15, 2014)

As explained in *ex parte* meetings preceding the filing of the Petition,³ in the Petition itself, and in subsequent reply comments,⁴ substantial delays in implementation of the universal service reforms anticipated at the time the originating VoIP reforms were adopted, together with the absence of any recovery mechanism associated with the originating intercarrier compensation (“ICC”) rate step-downs for VoIP traffic, warrant a grant of relief. Although the Commission has made notable progress in recent days with respect to further implementation of Connect America Fund (“CAF”) reforms for larger carriers,⁵ the undersigned note that the timing and substance of adoption and implementation of significant, broadband-focused reforms with respect to areas served by smaller, rate-of-return local exchange carriers in particular remain quite uncertain as of the date of this letter. This lingering uncertainty as to the timing and scope of future universal service reform, paired with the lack of any recovery mechanism for the specific traffic at issue, underscore the need for relief with respect to the ICC revenue reductions resulting from the rate changes that took effect on July 1, 2014.

For these reasons and for those stated in the Petition and reply comments, the undersigned therefore urge the Commission to take action on the Petition in short order. Specifically, the Commission should waive application of section 51.913(a) of its rules and thereby pause, effective as of June 30, 2014, any reductions in intercarrier compensation rates for originating intrastate VoIP traffic until tailored universal service updates are adopted and implemented as contemplated back when such reforms were adopted in 2011. Alternatively, the Commission should give strong consideration to the recent suggestion of the United States Telecom Association (“USTelecom”), ITTA, and ERTA and implement a mechanism – consistent with how it has otherwise handled all ICC rate reductions – to recover revenues lost due to the reduction in intrastate originating access for originating intrastate toll VoIP.⁶ As USTelecom, ITTA, and ERTA demonstrate, such alternative relief would consist of a combination of increases in Access Recovery Charges (“ARCs”) and CAF-ICC support, with a substantial portion of the shortfalls being recovered via ARC increases rather than via CAF-ICC support for larger carriers. Such an alternative remedy would also hold true to the Commission’s “no flash cuts” policy that underpinned the 2011 reforms and provide much-needed relief, particularly for smaller carriers that depend upon a mix of ICC and universal service support to provide quality and affordable services in high-cost rural areas.

³ See, e.g., *Ex Parte* Letter from Michael R. Romano, Sr, Vice President – Policy, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket Nos. 05-337, 07-135, 10-90; CC Docket Nos. 01-92 (filed June 17, 2014).

⁴ Reply Comments of NTCA, the National Exchange Carrier Association, ITTA-The Voice of Midsize Communications Companies, the Eastern Rural Telecom Association, WTA-Advocates for Rural Broadband, Frontier Communications Corp., and Windstream Communications, WC Docket Nos. 03-109, 05-337, 07-135, 10-90; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; WT Docket No. 10-208 (filed July 7, 2014).

⁵ *FCC Increases Rural Broadband Speeds Under Connect America Fund*, News Release, Dec. 11, 2014.

⁶ *Ex Parte* Letter from David Cohen, USTelecom, *et al.*, WC Docket Nos. 03-109, 05-337, 07-135, 10-90; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; WT Docket No. 10-208 (filed Dec. 11, 2014).

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Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

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