



TO ALL MEMBERS:

We are sending this letter to provide an update regarding the potential provision of data to the Federal Communications Commission (FCC) and state regulators as they consider various reforms to existing intercarrier compensation and universal service fund mechanisms.

The FCC has repeatedly emphasized the critical role that data—and in particular, individual company data—will play in its decision-making process. We therefore strongly urge members, consistent with our March 11 letter, to consider once again their ability to respond on an individual company basis to each of the data requests identified above. While you should consult with your legal advisors and consultants before deciding whether and to what degree to respond to any data request, we believe that the provision of individual company data will be invaluable in justifying the legal and policy arguments that the national associations make in favor of any given proposed reform or against another.

As you may also be aware, the FCC recently requested that NECA provide a substantial amount of regulated *and* non-regulated financial data on an individual company basis. **In light of this demand by the FCC, it is all the more important that you consider how to provide context for the data now before the FCC and how to tell your specific story about the need for USF and ICC as critical components of your cost recovery.**

As context, we are aware of at least three data requests circulating with respect to the financial operations of companies and the impacts of various reform proposals:

1. **FCC “Data Request”** – In paragraph 572 of its recent Notice of Proposed Rulemaking (NPRM), the FCC has asked for data “regarding switched access revenue, expense, and minutes of use, on a by-provider, by-state basis for intrastate access, interstate access, and reciprocal compensation. . . . [T]his would include both billable and settlement revenue.” The FCC also asked for “total regulated revenue and total revenue to understand the significance of intercarrier compensation revenue as a percent of total regulated revenue and total revenue” and for “information concerning residential rates.” The FCC provided a link in the NPRM (<http://www.fcc.gov/wcb/ppd/iccdatemplate.xls>) for a template to support the provision of such data on an individual company basis with initial comments. At this time, the FCC is updating the template and the update is not yet complete.
2. **State Joint Board Data Request** – The state members of the Federal-State Joint Board contracted with a consulting firm to help gather and analyze data relating to the operations of incumbent local exchange carriers. We provided a copy of the data request and an associated nondisclosure agreement with our March 11, 2011 correspondence to you, and we have attached the most recent versions of those materials here. The “deadline” for providing such data to the consultants has passed, but it may still be possible to provide such data if carriers are interested. We understand that NECA is also in the process of providing similar information to the consultants on a “rolled-up” statewide basis, as well as potentially providing the data recently filed with the FCC directly to the state members of the Joint Board pursuant to the relevant protective order.
3. **NECA Data Request** – NECA recently issued a data request seeking additional regulated financial operational data to assist with assessing the impact of different reform proposals.

Each of the national associations would be pleased to talk with you further about responding to any or all of the above-referenced data requests and to assist with the provision of such data where needed.