

September 30, 2008

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

Ex Parte Notice

RE: Developing a Unified Intercarrier Compensation Regime
CC Docket No. 01-92

IP-Enables Services
WC Docket No. 04-36

Dear Ms. Dortch,

CoBank, ACB (“CoBank”)¹ urges the Federal Communication Commission (the Commission) to proceed with the utmost care regarding the forthcoming ISP Remand Order. When addressing intercarrier compensation reform, it is critical to consider the rural consumers who rely on rural telecommunication carriers to receive their services. The Commission should ensure that all consumers have access to affordable telecommunications services and the latest technologies – no matter where they live. Technology is only useful when it is affordable to consumers.

CoBank is a cooperative bank with over \$3.4 billion in loan commitments to over 200 rural communication companies nationwide. These commitments by sector are comprised of incumbent local exchange carrier (ILEC) (75%), wireless (11%), cable television (12%) and competitive local exchange carrier (2%). In addition, CoBank has syndicated \$750 million of communication loans to other financial institutions in the Farm Credit System. The Farm Credit System is a unique cooperative network of customer-owned lending institutions that is exclusively dedicated to improving life in rural America.

¹ CoBank, a \$62 billion Denver-based cooperative bank, provides financing to rural cooperatives and critical lifeline businesses – food, water, electricity and communications – across the United States. Part of the \$208 billion United States Farm Credit System, the bank also finances agricultural exports. CoBank consistently demonstrates our focus on rural America. We consistently demonstrate our focus on rural America, repeatedly strive to be the trusted advisor for our customer-owners, provide a consistent return on their investment and ownership in CoBank.

In order to provide rural customers the communication services needed to compete in a global economy, rural ILECs rely upon high-cost universal support and intercarrier compensation for a substantial portion of their cost recovery. It is imperative that reform of the rules for these revenue streams take into account the unique characteristics of rural ILECs and their service areas.

CoBank is concerned that proposals like the AT&T and Verizon proposal on terminating access rate do not address the operating characteristics of rural ILECs. The AT&T and Verizon proposal on terminating access rate will make it difficult for rural ILECs to provide rural consumers with a full array of affordable basic and advanced communications services, comparable to price and quality to those offered in urban areas.

CoBank's rural communications customers are committed to providing innovative, high quality, vital infrastructure to meet the demands of its consumers. Our rural telecommunications customers need comprehensive reform of intercarrier compensation, not the adoption of piecemeal proposals.

Respectfully submitted,

CoBank, ACB

By: /s/ Robert S. West

Robert S. West

Senior Vice President and Manager, Communication Division