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January 23, 2012

Hon. Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 09-M-0527 –Proceeding to Examine Issues Related to a Universal Service Fund

Dear Secretary Brillling:

Please accept this letter as AT&T's response to the New York State Public Service Commission's Notice Seeking Comment on Further Extension of the Transition Fund ("Notice"), issued January 4, 2012. The Notice requests comments on a proposal to extend the Transition Fund, with *pro rata* contributions from the current contributors up to \$350,000 in total, until the Commission renders a decision on the Phase II issues in this proceeding related to the establishment of a Universal Service Fund. The Notice acknowledges that the original \$600,000 approved by the Commission last year is sufficient to meet Transition Fund demand through May, 2012. AT&T submits that, based on the schedule established in the proceeding, a further extension of the transition Fund is not necessary. AT&T therefore opposes any such extension.

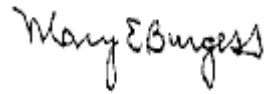
According to the January 4, 2012 Notice, briefs on exceptions will be filed by interested parties on or before February 14, 2012, and briefs opposing exceptions will be filed by March 5, 2012. The established schedule provides ample time for Administrative Law Judge Jack to consider issues raised in the exceptions process, and for the Commission to address the Universal Service Fund issues at a public session, before May 31, 2012.

Phase II of the Universal Service proceeding has been ongoing for more than a year, and there is no need to prolong this phase for another six months. AT&T submits that the Commission's established schedule allows for careful consideration of all of the issues in a timely manner, and therefore opposes any further extension of the already-extended Temporary Transition Fund Extension. AT&T requests that the Commission render a decision on the Phase

II Universal Service issues before May 31, 2012, so that the parties can proceed to Phase III of this docket without further delay.

Thank you for your consideration of this matter.

Respectfully submitted,

A handwritten signature in black ink that reads "Mary E. Burgess". The signature is written in a cursive style with a large, looped initial "M".

Mary E. Burgess