



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

December 21, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

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Re: WC Docket No. 10-90

Dear Secretary Dortch:

Enclosed with this transmittal letter is a copy of an ex parte letter from Commrs. Norman J. Kennard and John F. Coleman, Jr. of Pennsylvania Public Utility Commission (Pa. PUC) to Federal Communications Commission (FCC) Chairman Ajit Pai. The joint letter from the two Pennsylvania Commissioners expresses their complete support for the Pennsylvania rural carriers' Alternative Connect America Model (A-CAM) funding request in the above-captioned matter. They respectfully urge the FCC to approve the A-CAM funding request by year end 2017 as the funds will help provide broadband service to additional rural consumers in unserved or underserved areas of rural Pennsylvania. The original hard copy of the letter was mailed directly to Chairman Pai. Also, a copy of the letter is being submitted into the docket via the FCC's ECFS.

Sincerely,

David E. Screven
Assistant Counsel

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The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: Connect America Fund, WC Docket No. 10-90
Written Ex Parte Communication**

Dear Chairman Pai:

This ex parte letter from the undersigned Commissioners of the Pennsylvania Public Utility Commission addresses recent filings regarding the adequacy, sufficiency, and predictability of the current federal funding for voice and broadband services by Pennsylvania's rural rate of return (ROR) carriers. The undersigned Commissioners share the concern raised by other filers that the current High Cost Fund support may not be adequate, sufficient, or predictable.¹ Resolution of this issue is particularly important for the delivery of voice and broadband services by Pennsylvania's generally smaller, rural rate of return carriers receiving support as Alternative Cost Allocation Model (ACAM ROR) or Legacy rate of return (Legacy ROR) carriers. There are four revised-offer ACAM ROR (Revised-Offer ACAM) carriers² and thirteen Legacy ROR carriers operating in Pennsylvania.

The undersigned Commissioners support full funding for universal voice and broadband deployment. For this reason, the undersigned Commissioners support the full funding of Revised-Offer ACAM carriers. We are concerned, however, that a complete allocation of the \$129 million in reserve support to the ACAM carrier group could negatively impact the needs of the Legacy carrier group. If revised funding is allowed by the FCC, the \$129 million shortfall of the Revised-Offer ACAM carriers should be covered in a way that does not adversely affect the Legacy carriers. Consequently, the undersigned Commissioners support the full funding of all rural providers, including the timely resolution of the related federal universal service fund contribution base and assessment methodology issues.

¹ Compare Correspondence of 39 Senators to Chairman Ajit Pai (October 31, 2017) with Chairman Ajit Pai Response (December 6, 2017); Accord Letter of Missouri Congressman Billy Long (September 28, 2017).

² In re: Connect America Fund, Ex Parte filing of 4 Pennsylvania ACAM Carriers (December 11, 2017). There are two fully-funded ACAM carriers in Pennsylvania.

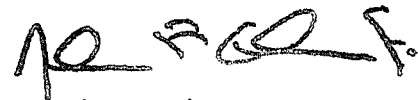
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For these reasons, the undersigned Commissioners urge the Federal Communications Commission to address the reserve allocation in an equitable manner and proceed to address immediately the funding needs of both groups.

Sincerely,



Norman J. Kennard
Commissioner



John F. Coleman, Jr.
Commissioner