

Via ECFS

EX PARTE NOTICE

February 16, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: *Review of Part 32 Uniform System of Accounts, WC Docket No. 14-130*

Dear Ms. Dortch:

INCOMPAS agrees with NCTA that the Commission should reject the proposal of AT&T, CenturyLink, and Verizon (“ILECs”) to end the mandatory use of data based on Part 32 Uniform System of Accounts (USOA) for purposes of calculating pole attachment rates and instead give carriers the option to discontinue such reporting and make pole attachment information available using Generally Accepted Accounting Principles (GAAP) accounting.¹

Chairman Pai has formed a Broadband Deployment Advisory Committee to provide advice and recommendations to the Commission on how to accelerate the deployment of high-speed Internet access—an effort INCOMPAS wholly supports. One of the key tasks for the committee is to recommend further reform of the Commission’s pole attachment rules.² Indeed pole attachment costs are a significant portion of broadband deployment costs³ and Chairman Pai has stated that attaching parties are “paying too much for pole attachments” even after the recent

¹ See Letter of Steven F. Morris, NCTA, to Marlene H. Dortch, WC Docket No. 14-130, dated Feb. 8, 2017 (NCTA Feb. 8 Ex Parte”). Additionally, if the Commission does adopt the ILECs’ proposal, such change does not constitute an exogenous adjustment under the price cap rules. The Commission needs to ensure no rates increase if they adopt the ILEC proposal.

² “FCC Announces the establishment of the broadband deployment advisory committee and solicits nominations for membership,” Public Notice, DA 17-110, at 1, rel. Jan. 31, 2017.

³ See CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN 109 (“The cost of deploying a broadband network depends significantly on the costs that service providers incur to access conduits, ducts, poles and rights-of-way on public and private lands. Collectively, the expense of obtaining permits and leasing pole attachments and rights-of-way can amount to 20% of the cost of fiber optic deployment.”).

reform to lower the rates.⁴ So ensuring the rates are reduced to the appropriate level—let alone not allow for an increase—is critical to the Chairman’s broadband build-out agenda. NCTA has demonstrated that the ILECs’ proposal risks raising these rates substantially.⁵ The Commission should not take action that results in *any* rate increases for pole attachments, even if temporary or transitioned over time. Such a decision by the Commission would run counter to the stated purpose of forming the BDAC and limits the committee’s options before it has had a chance to complete an analysis and make a recommendation on this critical issue.

Respectfully submitted,

/s/ Karen Reidy

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⁴ Order on Reconsideration, 30 FCC Rcd 13731 (2015), Concurring Statement of Commissioner Ajit Pai, 30 FCC Rcd at 13774.

⁵ *NCTA Feb. 8 Ex Parte* at 1-4 and Attachment.