The Voice of America's Broadband Providers

July 13, 2018

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

Re: *Ex Parte* Communication: WC Docket Nos. 10-90, 14-58, 07-135, and CC Docket 01-92

Dear Ms. Dortch:

On July 11, 2018, Bob DeBroux of TDS Telecom, Trey Judy of Hargray Communications, and Genny Morelli and the undersigned of ITTA met with Commissioner O'Rielly regarding the Notice of Proposed Rulemaking (NPRM) in the above-referenced proceedings.[1] Wendy Fast of the Consolidated Companies of Nebraska and Ken Pfister of Great Plains Communications participated by telephone.

During the meeting, we discussed various points raised in ITTA's comments on the NPRM.[2] We emphasized that the Commission should fully fund separate budgets for the two rate-of-return carrier segments of the universal service high-cost program -- the A-CAM program and legacy support mechanisms. Both segments are meritorious and should be afforded budget analyses based on their own bona fides.

It is estimated that funding current participants in the A-CAM program to $200/month per eligible location would require approximately $66 million per year, while fully funding the legacy program would entail approximately $248 million per year. The benefits of such funding are manifest, as broadband availability, fostered by high-cost support, is fundamental to the Commission's ability to leverage its other universal service programs to connect schools and libraries and rural health care facilities, and to make affordable broadband available to low-income Americans living in high-cost areas. ITTA members described the "real-world" effects of the Commission's allocation of high-cost support on broadband deployment and carriers' investment decisions.

[1] *Connect America Fund et al.*, Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking, FCC 18-29 (Mar. 23, 2018).

[2] *See* Comments of ITTA – The Voice of America's Broadband Providers, WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92 (May 25, 2018).

At the same time, such funding would have a de minimis impact on consumers' bills. Had the Commission fully funded both the A-CAM and legacy segments of the high-cost program in 2017, it would have led to an aggregate *eight cent* increase in average monthly universal service contributions for residential consumers.

We also discussed how, once the Commission has provided current A-CAM participants with $200/month per eligible location and fully funded the legacy mechanisms, it should render a second A-CAM offer, which should be open to all rate-of-return carriers, i.e., those who would receive more support from model-based mechanisms as compared to legacy mechanisms, as well as those who would receive less. The Commission also should open the second A-CAM offer to carriers serving census blocks where there's already some fiber deployment in part of the census block, in addition to carriers having deployed 10/1 Mbps to at least 90 percent of their eligible locations.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs
Vice President, Regulatory Affairs

cc: Commissioner Michael O'Rielly