



September 14, 2017

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

**Re: *Ex Parte* Communication: WC Docket No. 10-90**

Dear Ms. Dortch:

On September 12, 2017, Ken Pfister of Great Plains Communications and Wendy Fast of Consolidated Telephone, along with Genny Morelli and the undersigned of ITTA, met with Jay Schwarz of the Office of Chairman Pai regarding the above-captioned proceeding.<sup>1</sup>

In our meeting, we emphasized the benefits and efficiencies that would be realized from funding the A-CAM Plan at \$200 per location this year, including the application of additional, specific build-out obligations.<sup>2</sup> Funding the A-CAM Plan at this level would make broadband at speeds of at least 10/1 Mbps available to at least approximately 46,000 unserved and 25,000 underserved consumers. We estimated that funding the A-CAM Plan at \$200 per location would require approximately an additional \$100 million/year.

We also discussed the merits of the Commission adopting a further notice of proposed rulemaking (FNPRM) to seek comment on a second offer of A-CAM funding. A second offer could largely mirror the first-round A-CAM program, but should be established with a budget sufficient for up to \$200 per eligible location. Support should be allocated for nine years in order to harmonize the timeframe for both A-CAM rounds. And all rate-of-return companies currently receiving legacy support should be deemed eligible for second-round support.

As explained in the chart below, it is estimated that 245 current legacy support companies would receive at least 50 percent of their current legacy support amount under the A-CAM program. If all of the companies that would receive more than their current funding were to opt in to a second round of A-CAM funding, a second round would have an estimated budgetary impact of approximately \$71.5 million. As the chart also depicts, this budgetary impact would decrease commensurately as more model non-winners opted in to a second round of A-CAM funding.

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<sup>1</sup> *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 13775 (2016) (*A-CAM Funding Order and FNPRM*).

<sup>2</sup> *See id.* at 13779, para. 12.

	Ratio: Model to Legacy Support \$	Total Count of Companies	Budget Impact Before Transition Payments
	50%-60%	26	\$ (45,183,433)
	60%-70%	19	\$ (15,821,008)
	70%-80%	26	\$ (12,597,657)
	80%-90%	22	\$ (10,313,370)
	90%-100%	16	\$ (1,828,440)
	>100% (Winners)	136	\$ 71,520,205
<b>Total</b>		<b>245</b>	<b>\$ (14,223,703)</b>

With the high-cost program budget established in the *USF/ICC Transformation Order*<sup>3</sup> expiring at the end of this year, we suggested that part of the Commission’s holistic review of the future high-cost program budget should include both this contemplated FNPRM as well as the need for additional funding for legacy rate-of-return mechanisms in order to alleviate the budget control “haircut” such carriers are encountering. We urged the Commission to issue an FNPRM addressing both issues as expeditiously as possible.

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: Jay Schwarz

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<sup>3</sup> *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *aff’d sub nom. In re: FCC 11-161*, 753 F.3d 1015 (10<sup>th</sup> Cir. 2014).