



June 8, 2015

**VIA ELECTRONIC SUBMISSION**

**Ex Parte**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On Thursday, June 4, 2015, Mary Henze and Mike Lieberman (AT&T), Eric Einhorn (Windstream), AJ Burton (Frontier), Mike Skrivan (FairPoint) and I met with Carol Matthey, Alex Minard, Heidi Lankau and Katie King (WCB), Jim Schlichting and Margaret Wiener (WTB) to discuss competitive bidding for CAF II support in areas served by price cap companies.

We continued to discuss the proposal that price cap carriers filed in the docket on April 10, 2015, and that we initially discussed on May 28, 2015. In particular, we discussed bid submission procedures and the operation of a composite efficiency index to rank bids by relative efficiency using the FCC's CAM model to establish a cost baseline. We discussed how bidding by census blocks coupled with the composite efficiency index supported nationwide competition likely to lead to an improved result from a public interest perspective. We discussed how overlapping bids from a single company should be treated, and suggested that the largest such overlapping bid continue on through the bidding evaluation process. We also discussed how a multiple round format for evaluating bids would be more likely than a single round process to result in greater geographic coverage for broadband supported through the CAF program. We further discussed the possibility that a bidder's first bid might be treated as establishing the maximum geographic bidding area for that bidder. We also reiterated the importance of bidders being strongly bound to their bids to prevent strategic behavior that would not serve the public interest.

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Finally, we reviewed the competitive bidding proposal filed by the American Cable Association in this docket on June 1, 2015. We questioned the use of counties as the geographic level for evaluating bids and the absence of price competition from the proposal.

Pursuant to Commission rules, please include this ex parte letter in the above-identified proceeding.

Sincerely,



Jonathan Banks  
Senior Vice President, Law & Policy

c: Carol Matthey  
Katie King  
Heidi Lankau  
Alexander Minard  
Margaret Wiener  
James Schlichting