



June 18, 2015

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

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

Dear Ms. Dortch:

In the *April 2014 Connect America Fund Order and Further Order of Proposed Rulemaking*, the Federal Communications Commission proposed a voluntary election by rate-of-return carriers to receive model-based universal service fund support. The FCC directed the Wireline Competition Bureau to incorporate study area boundaries and other adjustments to make the Connect America Cost Model (“CAM”) for price cap carriers appropriate for use by Rate of Return carriers.

On December 22, 2014, the Bureau announced the first version of the Alternative Connect America Cost Model (“ACAM”) for potential use by RoR carriers. ACAM v1.0 was fundamentally identical to the CAM v.4.2 developed for price cap carriers. ACAM v1.0.1 revised cost to reflect 10Mbps/1Mbps broadband capability. On March 16, 2015, the Bureau released illustrative results of ACAM v1.0.1 for several support scenarios.

Alexicon Telecommunications Consulting has reviewed the ACAM and has several concerns with the model and its application which are discussed in the attached whitepaper *Preliminary Issues with the Alternative Connect America Cost Model*. Our review is not an exhaustive or comprehensive examination of the cost development factors in the ACAM. Rather it identifies (1) problems with the assumptions used in the cost model, (2) concerns with the proposed support model, and (3) procedural deficiencies that undermine the ability to craft a sustainable economic environment to assist rate-of-return carriers in serving rural Americans.

In our opinion, failure to meaningfully address the identified issues with the ACAM will thwart the goals for broadband deployment in rural America with sufficient, predictable universal service support that is equitable and fairly distributed.



Alexicon urges the Commission to seriously reconsider the track and timeline for implementing model-based support based on the issues identified. It bears reminder that solutions to revise the current mechanisms are not contingent on the implementation of a model. Alexicon understands and appreciates the importance of expeditiously moving along reforms that are reasonable and timely. Based upon our understanding, a broadly-supported rural industry plan for modified rate-of-return universal service funds including support for data-only broadband users has been proposed. We believe this plan is reasonable and can be approved independent of model-based support.

Sincerely,

A handwritten signature in blue ink that reads "Vincent H. Wiemer". The signature is fluid and cursive, written in a professional style.

Vincent H. Wiemer
Principal

Enclosure