



David H. Armistead
General Counsel & Secretary

July 15, 2015

By Electronic Transmission

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

***RE: Connect America Fund, WC Docket No. 10-90; Universal Service Contribution
Methodology, WC Docket No. 06-122***

Dear Ms. Dortch:

On July 13, 2015, Trey Judy, Director – Regulatory and the undersigned, General Counsel and Secretary, all of Hargray Communications Group, Inc. (“Hargray”), met by phone with Nicholas Degani, Legal Adviser to Commissioner Ajit Pai to discuss the Commissioner’s recently released plan to rural broadband services when the subscriber does not also subscribe to voice services.

The Hargray representatives discussed the glide path for rate of return carriers that might receive less support in a forward-looking cost model than under existing rate-of-return mechanisms. In particular, the Hargray representatives stated that a 5% per year glide path, with full transition to model support by year 10, is a critical feature to mitigate anomalous results in the current version of the model, to ensure companies that lose support under the model will nevertheless opt into the structure, and to provide the necessary certainty and required level of support with respect to supporting existing broadband investments. The parties on the call discussed flaws in the raw cost results produced by the A-CAM model that produced results that are both too high and too low in different situations. Lastly, the Hargray representatives discussed the critical requirement that some objective measure be required to determine the validity of the model before it can be used other than on a limited optional basis.

If you have any questions, please contact the undersigned.

Respectfully submitted,

/s/ David Armistead
David Armistead

cc: Nicholas Degani