



November 4, 2015

**Ex Parte**

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

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

Dear Ms. Dortch:

On Thursday, October 29, 2015, Mary Henze and Cathy Carpino (AT&T), Malena Barzilai (Windstream), Alan Buzacott (Verizon), Peter Copeland and Jeff Lanning (CenturyLink), Mike Skrivan (FairPoint), AJ Burton (Frontier), and Lynn Follansbee, Robert Mayer and I (USTelecom) met with Alex Minard and Heidi Lankau of the Wireline Competition Bureau. We discussed several issues concerning the implementation of the CAF I and CAF II programs and the framework for CAF II auctions, as detailed below.

Regarding the framework for CAF II auctions, we discussed the mechanism for including very high-cost census blocks and unserved low-cost census blocks in the auction and what funding would be associated with those census blocks. We discussed letter of credit requirements and that the Commission should take into account the substantial costs of maintaining letters of credit when weighing their role in providing protections for CAF II support. We also discussed whether the Commission's cost model could be used to set different levels of initial support or reserve prices for different auction categories of bids. We explained that location obligations to be met by auction winners should provide some flexibility, and not be set at granular levels such as by census block. We also discussed the importance of, once determined, leaving auction obligations fixed during the term of support. We also discussed how the overall budget for the auction might be determined and whether RAF or other support would be included.

Concerning implementation of the CAF I and II programs, we discussed how to operationalize the requirement that CAF II recipients that wish to take advantage of the 95% location flexibility approach must identify census blocks containing 2% of statewide CAF II supported locations and whether CAF II recipients electing this flexibility could still provide supported voice and broadband services to 100% of CAF II locations in a state by the end of the buildout term. We also advocated for ending any requirement to file 5-year buildout plans with annual updates given the detailed CAF II reporting and buildout requirements. We also discussed, for companies accepting the statewide CAF II commitment, the relationship between

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CAF II and legacy obligations during 2015 and, similarly, for companies that receive transition funding, the relationship between CAF II and legacy obligations during the transition period. Finally, we sought clarification that no price cap carrier has an ETC obligation outside its service area, even if a census block outside its area was inadvertently included on the recently published list of census blocks from which the Commission was not forbearing from ETC obligations.

Please contact the undersigned should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Banks". The signature is fluid and cursive, with the first name "Jonathan" and the last name "Banks" clearly legible.

Jonathan Banks  
Senior Vice President, Law & Policy

c: Alex Minard  
Heidi Lankau