



December 7, 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 December 3, 2015, B. Lynn Follansbee of USTelecom – The Broadband Association, Michael Romano and Josh Seidemann of NTCA – The Rural Broadband Association, Vince Wiemer of Alexicon, Jeff Smith of GVNW, Steve Meltzer of JSI and Jim Frame of NECA held a conference call with Suzanne Yelen, Joe Sorresso, Gary Seigel, Victoria Goldberg, Chris Cook, Richard Kwiatowski and Ted Burmeister of the Wireline Competition Bureau.

The subject of discussion focused on the mechanics of a bifurcated approach to USF reform. Specifically, the industry group discussed the mechanics of allocating various expenses and support assets under the bifurcated approach and the creation of a new support mechanism for going forward investment. The industry representatives specifically noted that it would be most consistent with existing separations rules and allocation procedures to allocate support assets by the underlying related loop investments in the same manner that those are allocated by reference to a date certain. While division of support assets by a date certain unrelated to their loop investments might on its face seem simplest, the industry representatives noted concerns that could arise in terms of the complications of tracking cost recovery if such assets were themselves separately tracked and bifurcated by a date certain rather than tying them to the loop investment they support.

We committed to review and discuss further in coordination with FCC staff and other industry experts due to the importance of this issue in making sure to manage cost recovery properly and avoid any possible double recovery or under-recovery of costs. All parties on the call agreed that addressing the asset allocation issues described herein is essential for any individual company to understand and “price out” the impacts of the bifurcated approach on its specific operations and future investments.

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Please contact the undersigned should you have any questions.

Respectfully submitted,



B. Lynn Follansbee

Vice President, Law & Policy

c: Suzanne Yelen
Joe Sorresso
Gary Seigel
Victoria Goldberg
Chris Cook
Richard Kwiatowski
Ted Burmeister