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April 20, 2016

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
Notice of *Ex Parte*

Dear Ms. Dortch:

On April 18, 2016 the undersigned met on behalf of Home Telecom (“Home”) with Travis Litman, Senior Legal Advisor to Commissioner Rosenworcel, and on April 19 met with Nicholas Degani, Wireline Legal Advisor to Commissioner Pai to discuss the recent decision which initiated long term reform of high-cost universal service support for rate-of-return carriers.¹

Home expressed a general concern over the complexity of the *USF Reform Order*. Specifically, Home asked that the Federal Communications Commission (“Commission”) not implement the penalty which would apply if a rate-of-return carrier that received more support from the legacy mechanisms in 2015 than was offered in the model initially elects model-based support and later opts to decline model-based support if that support is revised to stay within the model’s 10-year budget.² As described in the *Order*, in this scenario “the overall budget for all carriers that receive support through the rate-of-return mechanisms (HCLS and reformed ICLS) will be reduced by the difference between the carrier’s 2015 legacy support amount and the final amount of model support offered to that carrier.”³

Home suggested that in implementing an electing carrier’s option to decline a revised offer of support, the Commission seek a way to ensure that neither those companies who select model-based support nor those companies who decline that support are harmed if a carrier declines a revised offer of model-based support.

¹ *In the Matter of Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Inter-carrier Compensation Regime*, WC Docket Nos. 10-90 and 14-58, CC Docket No. 01-92, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 16-33 (rel. March 30, 2016) (“*USF Reform Order*” or “*Order*”).

² *Id.* at para. 69.

³ *Id.* In footnote 141, the *Order* provides the following as an example: “if a carrier received \$1 million in high-cost support in 2015 and accepted an offer of \$900,000 in model-based support, but then in the second step of the process the offer is reduced to \$700,000, and the carrier decides not to accept the \$700,000 offer, the overall budget for the non-model based carriers will be reduced by \$300,000 going forward”).

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Should there be any questions concerning this matter, kindly contact the undersigned.

Respectfully submitted,

/s/ Keith Oliver

H. Keith Oliver
Senior Vice President-Corporate Operations
Home Telecom

cc: Travis Litman
Nicholas Degani