**KELLEY DRYE & WARREN LLP**

A LIMITED LIABILITY PARTNERSHIP

**WASHINGTON HARBOUR, SUITE 400**

**3050 K STREET, NW**

**WASHINGTON, D.C. 20007-5108**

(202) 342-8400

NEW YORK, NY
TYSONS CORNER, VA
CHICAGO, IL
STAMFORD, CT
PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICES
JAKARTA, INDONESIA
MUMBAI, INDIA

FACSIMILE
(202) 342-8451
www.kelleydrye.com

DIRECT LINE: (202) 342-8518
EMAIL: tcohen@kelleydrye.com

April 14, 2011

***Via ECFS***

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

**Re: American Cable Association ("ACA") Notice of Ex Parte Presentation; *In the Matter of Connect America Fund,* WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN No. 09-51, *High-Cost Universal Service Support*, WC Docket 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket 01-92, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45.**

Dear Ms. Dortch:

On April 13, 2011, ACA members' Greg Harrison of Allegiance Communications and Ryan Pearson of Metrocast (Harron Communications) and the undersigned met with Margaret McCarthy, Policy Advisor, Wireline, to Commissioner Michael Copps, to discuss the Commission's proposed reform of the high-cost fund and the creation of the Connect America Fund ("CAF").

ACA initially communicated its position on reforming the high-cost universal service fund and instituting a CAF in its filing in the National Broadband Plan docket.[1] With the adoption by the Commission of its Notice of Proposed Rulemaking on universal service reform on February 8, 2010, ACA has again been working with its members to further refine its position and provide the

---

[1] *See e.g., In the Matter of Role of The Universal Service Fund And Intercarrier Compensation In The National Broadband Plan*, GN Docket No. 09-51, *Federal -State Joint Board on Universal Service High-Cost Universal Service Support*, WC Docket No 05-337, *National Cable & Telecommunications Association Petition for Rulemaking to Reduce Universal Service High Cost Support*, RM-11584, Comments of American Cable Association, Jan. 7, 2010.

Commission with greater specificity about the policies and operations for the CAF and other mechanisms to ensure universal broadband service. In general, ACA supports the creation of a competitively-neutral fund to achieve universal access to broadband. At the same time and as part of an overall plan to reform the high-cost fund and expand support for broadband service in unserved areas, ACA believes it is essential that the Commission ensure that the overall high-cost fund is capped at the year-end 2010 level and that support is not provided where there are competitive providers offering service without using support. Mr. Harrison and Mr. Pearson reinforced these two points in the meeting. In particular, they described the fact that they both had systems competing with incumbent telephone companies that are receiving High-Cost support and that this situation was clearly inequitable.

In regard to the specifics of the CAF, ACA believes that the Commission should focus on providing support in unserved areas and phase-in the process of disaggregating current study areas. In particular, ACA suggests that, for a period of eight years, the Commission permit smaller telephone companies to elect to continue to receive support for a period so long as they agree to deploy high-speed broadband service. As for awarding support in unserved areas, ACA supports using reverse auctions. These auctions should be based solely upon objective criteria. That is, the Commission should determine prior to the auction: the unserved area to be auctioned, the level of broadband performance to be delivered to households, and the price for that service. Bids would then be accepted on the basis of these factors, and winners chosen accordingly. ACA will elaborate on these issues when it files comments in the above-reference dockets on April 18, 2011.

This letter is being filed electronically pursuant to section 1.1206 of the Commission's rules.

Sincerely,

Thomas Cohen
Kelley Drye & Warren, LLP
3050 K Street N.W.
Washington, DC 20007
202-342-8518
tcohen@kelleydrye.com
*Counsel for the American Cable Association*

cc: M. McCarthy