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November 16, 2012

Via ECFS

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

Re: American Cable Association (“ACA”), Ex Parte Meeting on Connect America Fund, WC Docket No. 10-90 and High-Cost Universal Service Support, WC Docket No. 05-337

Dear Ms. Dortch:

On October 24, 2012, ACA representatives met with staff from the Wireline Competition Bureau to discuss the Commission’s Connect America Fund Phase II cost model proceeding. As part of its presentation, ACA discussed its new runs of the ABC Coalition’s CQBAT model to determine the costs of a brownfield build and the subsequent CAF support required. So that the Commission has a complete understanding of how these runs were conducted, ACA is submitting herein a description of the parameters used for the brownfield model runs. Should you have further questions about these parameters, please contact me.

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

Sincerely,



Thomas Cohen
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KELLEY DRYE & WARREN LLP

Marlene H. Dortch
November 16, 2012
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Counsel for the American Cable Association

Attachments: ACA CQBAT Model Parameters

cc: Steve Rosenberg
Carol Matthey
David Zesiger
Amy Bender
Katie King
Ed Burmeister
Heidi Lankau
Talmage Cox

ACA CQBAT Model Parameters & Calculation Methodology

Category	Housing Unit Population		
	Lower Cost, No Broadband	Higher Cost, No Broadband	Higher Cost, Existing Broadband
1. Input collections and CQBAT solution sets used	<p>All input sets and toggles are identical to the public greenfield FTDD solution set (SS20120201PublicFTDD), with the following exceptions:</p> <p>The brownfield toggle was enabled.</p>	<p>All input sets and toggles are identical to the public greenfield FTDD solution set (SS20120201PublicFTDD), with the following exceptions:</p> <p>Low End Estimate: Annual charge factors for copper, conduit, and poles were set to zero in the ACF input sheet.</p> <p>High-End Estimate: Annual charge factors for copper were set to zero in the ACT input sheet.</p>	<p>All input sets and toggles are identical to the public greenfield FTDD solution set (SS20120201PublicFTDD), with the following exception:</p> <p>All annual charge factors were set to zero in the ACF input sheet.</p>
2. Parameters and values used to generate the CQBAT support reports	<p>Report: Support Model Detail (CSV Output) State: All States Total Max Funding: 20,000,000,000 FCC Portion: 1 Monthly Support Cap Funding: 10,000,000 Rate of Return / Price Cap: Price Cap All States: True Geographic Level: Census Block Group Target Benchmark: 7 Alternative Technology Cutoff: 15.5 Cable Unserved: True</p>	<p>Report: Support Model Detail (CSV Output) State: All States Total Max Funding: 20,000,000,000 FCC Portion: 1 Monthly Support Cap Funding: 10,000,000 Rate of Return / Price Cap: Price Cap All States: True Geographic Level: Census Block Group Target Benchmark (Low-End Estimate): 47.5 Target Benchmark (High-End Estimate): 55 Alt. Technology Cutoff (Low-End Estimate) : 90.5 Alt. Technology Cutoff (High-End Estimate) : 120 Cable Unserved: True</p>	<p>Report: Support Model Detail (CSV Output) State: All States Total Max Funding: 20,000,000,000 FCC Portion: 1 Monthly Support Cap Funding: 10,000,000 Rate of Return / Price Cap: Price Cap All States: True Geographic Level: Census Block Group Target Benchmark: 35 Alternative Technology Cutoff: 63.5 Cable Unserved: True</p>
3. Calculations made based upon the CQBAT support reports	<p>Covered Housing Units: Sum Column O, 'Telco_Unserved_Subscribers'</p> <p>Modeled Subsidy: For each record, calculate ('Telco_Unserved_Subscribers'[O]/('Telco_Unserved_Subscribers' [O]+ 'Telco_Served_Subscribers' [P]))*('Support_Capped_Funding' [V])*(12)</p> <p>Sum all record-level amounts in the report</p> <p>Note: Default column field references in brackets []</p> <p>Record-Level Excel Formula: =IFERROR((O/(O+P))*V*12,0)</p>	<p>Covered Housing Units: Sum Column O, 'Telco_Unserved_Subscribers'</p> <p>Modeled Subsidy: For each record, calculate ('Telco_Unserved_Subscribers'[O]/('Telco_Unserved_Subscribers' [O]+ 'Telco_Served_Subscribers' [P]))*('Support_Capped_Funding' [V])*(12)</p> <p>Sum the record-level amounts in the report</p> <p>Note: Default column field references in brackets []</p> <p>Record-Level Excel Formula: =IFERROR((O/(O+P))*V*12,0)</p>	<p>Covered Housing Units: Sum Column P, 'Telco_Served_Subscribers'</p> <p>Modeled Subsidy: For each record, calculate ('Telco_Served_Subscribers' [P]/('Telco_Served_Subscribers' [P] + 'Telco_Unserved_Subscribers' [O]))*('Support_Capped_Funding' [V])*(12)</p> <p>Sum the record-level amounts in the report</p> <p>Note: Default column field references in brackets []</p> <p>Record-Level Excel Formula: =IFERROR((P/(P+O))*V*12,0)</p>

Note: These parameters are for the cost models included in the ACA's October 23, 2012 ex-parte filing with the FCC