



REDACTED – FOR PUBLIC INSPECTION

Ex Parte Notice

February 12, 2014

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

**Re: *Connect America Fund, WC Docket No. 10-90 and
High-Cost Universal Service Support, WC Docket No. 05-337
Supplemental Filing***

Dear Ms. Dortch:

The attached is a supplement to the Ex Parte Notice filed earlier today in reference to the above-noted proceedings. The document was inadvertently omitted in the earlier filing. On February 10, 2014, Dan Caldwell of Consortia Consulting (Consortia) and the undersigned met with Suzanne Yelen, Katie King, Ian Forbes, and Alexander Minard of the Commission. Rod Bowar of Kennebec Telephone Company, Inc. (Kennebec) and Jessica Meyer of Consortia joined the meeting via telephone.

The purpose of the meeting was to discuss and provide additional information relating to the *Petition for Waiver of the Application of the Commission's January 15, 2014, Order* (Petition) filed by Kennebec in the above-captioned dockets on January 28, 2014. As set forth in the Petition, Kennebec incurred substantial expenses in 2012 preparing and filing an expedited waiver in order to correct erroneous data relied upon by the Wireline Competition Bureau (Bureau) for that year's high-cost support benchmarks. These incurred expenses caused Kennebec to subsequently exceed the high-cost support benchmark in 2014 by \$5.17 per line. As described in the Petition, had Kennebec not incurred those waiver-related expenses, its expenses would have remained beneath the 2014 cap.

At the meeting, Kennebec described with specificity the various expenses it incurred in preparing the 2012 expedited waiver, and shared an electronic version of vendor invoices to support the discussion.

Hard copies of those invoices are submitted herewith via hand-delivery with an express request for confidential treatment of those materials. Each page of the confidential, non-redacted submission is marked "Proprietary and Confidential." A redacted copy of those invoices is filed

Marlene H. Dortch
February 12, 2014
Page 2 of 2

herewith for the public record, while the confidential version is provided under seal. Confidential treatment is requested as disclosure could cause substantial competitive harm because other competitive entities could assess aspects of the companies' operations and could, in turn, use that information to undermine their business plans. Providing others with insight into the companies' operations would cause substantial harm as the data and information provided could be used to undermine their competitive positions. There is also a concern that public disclosure might encourage other parties to circumvent Commission rules or hamper an investigation.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter, along with the redacted materials, is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at 703-351-2035 or at jseidemann@ntca.org.

Submitted respectfully,

s/Joshua Seidemann
Joshua Seidemann
Director of Policy

Attachment

cc: Suzanne Yelen
Katie King
Ian Forbes
Alexander Minard

Kennebec Telephone Waiver Application

Rod Bowar, Kennebec Telephone (via conference bridge)
Dan Caldwell, Consortia Consulting
Josh Seidemann, NTCA

February 10, 2014 – 11:00 am, FCC

The Purpose of the Request

- The filed petition requests a waiver of the application of the FCC's high-cost benchmarks released on January 15, 2014 to Kennebec Telephone Company for 2014.

Kennebec QRA History

- Kennebec was negatively affected by erroneous and/or omitted data and was improperly subjected to capped 2012 HCLS support under the HCLS Benchmarks Implementation Order.
- Kennebec was required to file an expedited waiver in June 2012 to correct the square miles and housing units in the Kennebec service area.
- Kennebec incurred significant third-party engineering and consulting expenses in 2012 preparing and filing the expedited waiver request to correct the erroneous data used by the FCC for 2012 HCLS benchmarks.

Expense Description

- The direct third-party expenses incurred in 2012 to correct the erroneous data totaled \$11,143.
- Despite receiving a waiver in 2013, Kennebec did not receive its allocated portion of the recycled HCLS. NECA estimated that amount to be \$10,114.
- The expenses included services to create the waiver documents, collect and remit supporting references from various third parties, and the preparation of service area maps to support the requested corrections.

Consequence of Waiver Expenses

- As a result, Kennebec exceeded the imposed QRA benchmark cap for 2014 by \$5.17/line.
- If not for those expenses incurred in 2012 to correct the data and mapping errors, Kennebec would not have exceeded the 2014 cap.

Conclusion

- Good cause exists to grant the waiver of the 2014 benchmarks.
- If Kennebec would not have incurred the third-party expenses in the amount of \$11,143 to correct the erroneous study area boundary data initially used by the FCC, Kennebec would not be subject to the 2014 cap.
- Kennebec should be eligible for recycled support amounts.