



Melissa E. Newman

Vice President – Federal Regulatory Affairs
1099 New York Avenue NW
Suite 250
Washington, DC 20001
202.429.3120

VIA ECFS

REDACTED – FOR PUBLIC INSPECTION

NOTICE OF EX PARTE

March 27, 2014

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

Re: *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund, WC Docket No. 10-90; GN Docket No. 09-51; WC Docket Nos. 07-135, 05-337; CC Docket Nos. 01-92, 96-45; WC Docket No. 03-109; WT Docket No. 10-208*

Dear Ms. Dortch:

On March 25, 2014, Jeff Lanning and Melissa Newman of CenturyLink met with Carol Matthey, Alexander Minard, Ryan Yates, all in person, and Steve Rosenberg, by phone, to discuss the above-captioned proceedings. CenturyLink described the preliminary results of an internal network engineering analysis it has conducted. After Connect America Model (CAM) version 4.0 was released, CenturyLink's network engineering team developed an estimate of the actual cost to construct a network that could satisfy the obligations that would be associated with Connect America Fund, Phase II (CAF II) offers of support if CAM 4.0 were used to identify the areas eligible for support.

The attached exhibit was used as an illustrative example to facilitate discussion of how the distribution of potentially funded locations changed substantially between CAM 3.2 and CAM 4.0. We discussed how more sparsely populated locations that had been reserved for the Remote Areas Fund have replaced somewhat more populated high-cost areas in the universe of potentially-eligible CAF II locations.

Ms. Marlene H. Dortch
March 27, 2014

Page 2 of 2

CenturyLink's analysis raises several questions for Commission staff to consider, although it does not appear at this time that changes to the model itself are called for. Specifically, there appear to be higher-than-expected numbers of sites (points of aggregation) that cover just a few locations. Similarly, there appear to be more instances than expected where normal assumptions regarding the economics of sharing feeder facilities may not apply in practice because of the uneconomic nature of the areas served. Finally, the magnitude of the required capital expenditure in some cases may not be aligned with the available funding, both in amount and duration.

The exhibit, which contains confidential information, is being filed pursuant to the August 30, 2012 Third Protective Order in WC Docket Nos. 10-90, *et al.*¹ Pursuant to the Third Protective Order, the non-redacted version of the exhibit is annotated as follows:

“CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, GN DOCKET NO. 09-51, CC DOCKET NOS. 01-92, 96-45, WT DOCKET NO. 10-208 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION”.

One copy of the non-redacted version of this filing is being submitted in hard copy to the Office of the Secretary. An extra copy is included to be stamped and returned to the courier. Additionally, two hard copies of the non-redacted version of the submission are being transmitted to Alexander Minard of the FCC's Wireline Competition Bureau. A redacted version of this submission, which includes this same cover letter and appends a copy of the exhibit with the confidential information omitted, and which is annotated **“REDACTED – FOR PUBLIC INSPECTION”**, is also being simultaneously filed today via ECFS in the above-referenced dockets.

If you have any questions regarding this ex parte, please contact me at 202-429-3120.

Sincerely,

/s/ Melissa E. Newman

Attachment

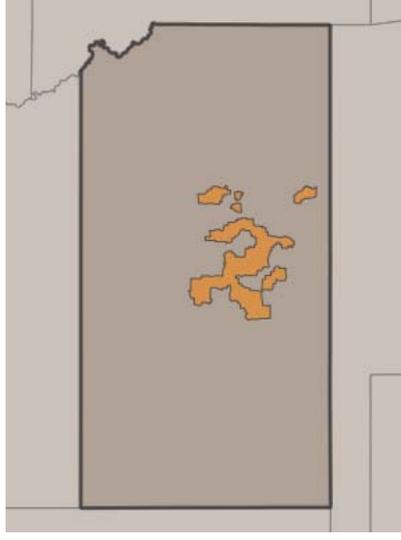
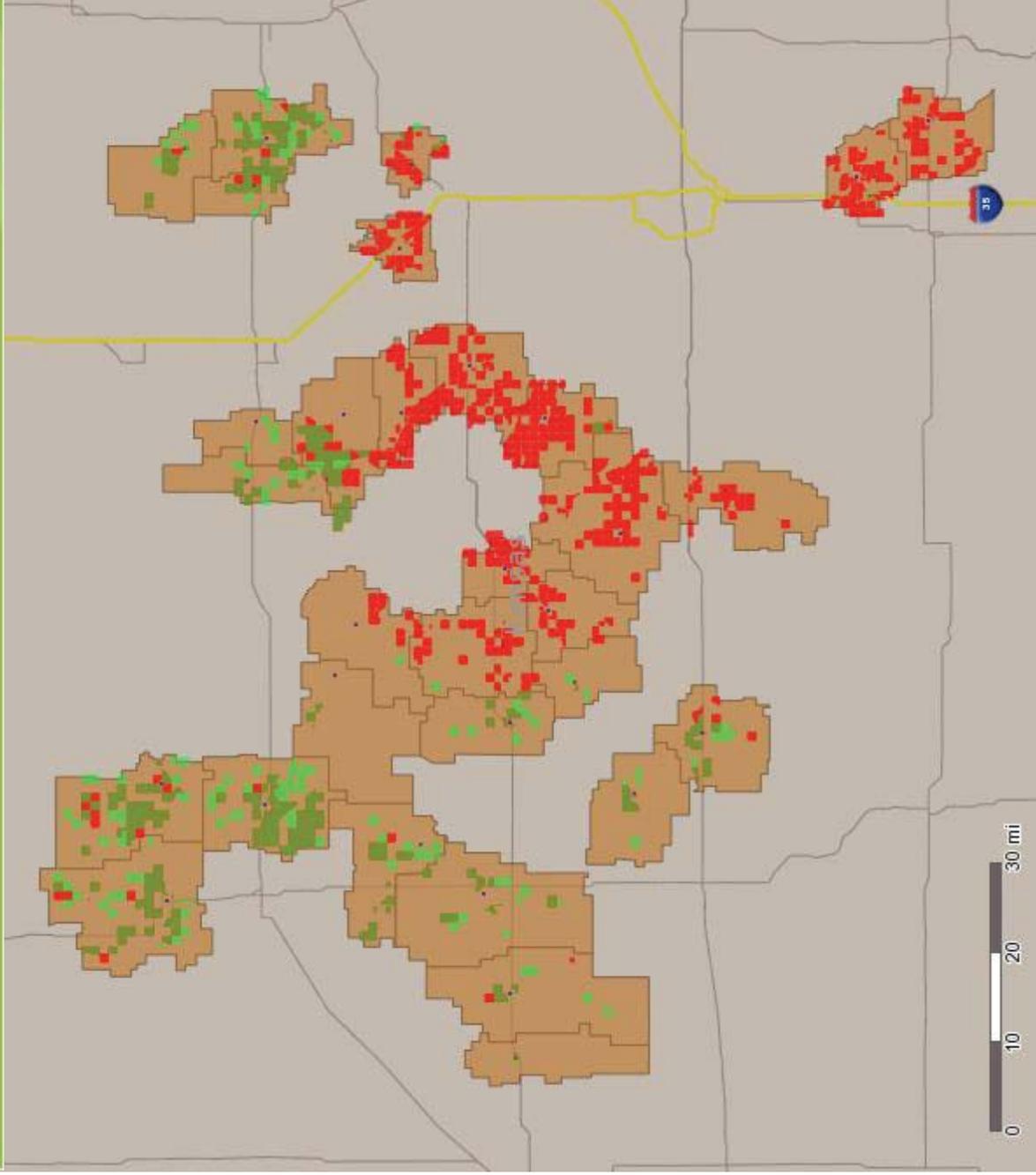
Copy via email to:
Carol Matthey
Alexander Minard
Ryan Yates
Steve Rosenberg

¹ 27 FCC Rcd 10276 (2012).

REDACTED – FOR PUBLIC INSPECTION

CAF II Comparison Kansas

Southern
Dean Kurtz



State Region

Central

Active CenturyLink Customers

REDACTED

Modeled Households

REDACTED

Average Cost Per

Modeled Household

REDACTED

Average Route Distance

to Central Office

REDACTED

CenturyLink

Statewide Support

Cur \$14,298,152 vs. Prior \$13,932,946

- Central Offices
- Current CAM Funded CBs
- Prior CAM Funded CBs
- Selected Wire Centers
- Wire Centers