



Competitive Carriers Association
Rural • Regional • Nationwide®

Competitive Carriers Association
805 15th Street NW, Suite 401
Washington, DC 20005
Office: (202) 449 -9866 • Fax: (866) 436 -1080

April 15, 2014

Via ECFS

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

RE: EX PARTE NOTICE

WC Docket No. 10-90: *Connect America Fund*
WT Docket No. 10-208: *Mobility Fund*

Dear Ms. Dortch:

Competitive Carriers Association (“CCA”) hereby submits notice of the following meetings with Commission staff related to the above-referenced proceedings:

- On April 11, 2014, the following CCA representatives met with Rebekah Goodheart and Louis Peraertz from Commissioner Clyburn’s office: Steve Berry, Rebecca Murphy Thompson, Tim Donovan and Sean Spivey;
- On April 11, 2014, the following CCA representatives met with Philip Verveer from Chairman Wheeler’s office: Steve Berry and Rebecca Murphy Thompson;
- On April 11, 2014, the following CCA representatives met with Amy Bender from Commissioner O’Rielly’s office: Steve Berry, Rebecca Murphy Thompson, Tim Donovan and Sean Spivey, as well as Grant Spellmeyer of United States Cellular Corp.;
- On April 14, 2014, the following CCA representatives met with Daniel Alvarez from Chairman Wheeler’s office: Steve Berry, Rebecca Murphy Thompson and Sean Spivey, as well as Julia Tanner of MTPCS, LLC d/b/a Cellular One and Gwen Donaldson of Donaldson Strategies (on behalf of Carolina West Wireless); and
- On April 14, 2014, the following CCA representatives met with Nicholas Degani of Commissioner Pai’s office: Steve Berry, Rebecca Murphy Thompson and Sean Spivey, as well as Julia Tanner of MTPCS, LLC d/b/a Cellular One and Gwen Donaldson of Donaldson Strategies (on behalf of Carolina West Wireless).

Specifically, CCA and its members’ representatives discussed the draft Report and Order and Further Notice of Proposed Rulemaking circulated recently for the Commissioners’ review. CCA expressed its disappointment with many of the proposals that are reportedly contained in the item, and encouraged the Commission to take this opportunity to put the high-cost support mechanism back on a competitively-neutral track.

First, CCA discouraged the Commission from tentatively concluding that legacy wireless support should continue to be phased-down *despite* the Commission's failure to operationalize Mobility Fund Phase II by June 30, 2014. This is inconsistent with the plain language of the Transformation Order,¹ and unsupported by record evidence. Competitive carriers not only participated in Mobility Fund Phase I, but also brought millions of dollars of private investment to the table to deploy next-generation services to areas where there is otherwise no justifiable business case to do so, based on the repeatedly-stated expectation that there would either be an operational Mobility Fund II or a freeze in legacy support by mid-2014. To do otherwise would not only upset investment and ferment uncertainty, it would also disavow the protections afforded by Section 254 of the Communications Act (as amended) that high-cost support be "specific, predictable and sufficient."²

Second, CCA again urged the Commission to make Phase II of the Connect America Fund ("CAF") more competitively and technology neutral by doing away with the preferential right of first refusal ("ROFR") provided to price-cap carriers. There is nothing pro-competitive about allowing a price-cap carrier with a wireless affiliate to utilize a wireline-based cost model to deploy fiber to the tower and 4G LTE to the last mile. This practice, if allowed, will subsidize an "unsubsidized" competitor, deteriorate an already malfunctioning special access marketplace, and will entrench the incumbents. Instead, CAF II should be open in the first instance to all comers who are willing and able to compete for those funds to deploy advanced services to the hardest to reach Americans.

Alternatively (and at a minimum), CCA argued that price-cap carriers should not be allowed to bypass the ROFR and participate in the competitive bidding process. Allowing price-cap carriers to do so will promote gaming over deployment of services to the most-needed areas. If given a second bite at the apple, price-cap carriers will surely cherry-pick the most attractive areas within their service territories (for example, where two primary transportation corridors meet) to deploy services.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

/s/ Rebecca Murphy Thompson

Rebecca Murphy Thompson
General Counsel

cc (via email): Ms. Rebekah Goodheart
Mr. Louis Peraertz
Mr. Philip Verveer
Ms. Amy Bender
Mr. Daniel Alvarez
Mr. Nicholas Degani

¹ *Connect America Fund*, WC Docket No. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17832 ¶ 519 (2011).

² 47 U.S.C. § 254(b)(5).