

29 July 2014

BY ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Re: MD Docket Nos. 14-92, 13-140, and 12-201,
Notice of Ex Parte Presentation*

Dear Ms. Dortch:

Pursuant to 47 C.F.R § 1.1206(b), the North American Submarine Cable Association (“NASCA”) notifies the Commission of an *ex parte* presentation in the above-referenced proceedings. On July 28, 2014, I, as counsel for NASCA, met with Roland Helvajian of the Office of Managing Director, Mika Savir of the Enforcement Bureau, and David Krech and Thomas Sullivan of the International Bureau to discuss NASCA’s positions in these proceedings.

In our meeting, I noted the following:

- The record supports the Commission’s proposal to reallocate the regulatory requirement, for submarine cables/terrestrial and satellite circuits to align it with the Commission’s full-time equivalent employee (“FTE”) data for direct FTEs for the International Bureau. NASCA has highlighted the long-running error in the existing revenue requirement and its inconsistency with the FTE data,¹ and no party has challenged that analysis, challenged the Commission’s direct FTE data for submarine cable-related regulatory activity, or otherwise opposed the Commission’s reallocation proposal.
- The Commission should begin the reallocation of that revenue requirement in establishing FY 2014 fees in order to comply with Section 9, which requires that the Commission align regulatory fees with regulatory effort. The Commission has estimated for two years running that regulation of submarine cables accounts for two direct FTEs, yet the Commission continues to collect fees from such operators as if they accounted for more than 10 direct FTEs. On its face, this allocation and collection is inconsistent with Section 9 and will remain inconsistent with Section 9 until the reallocation is complete

¹ Comments of the North American Submarine Cable Association, MD Docket Nos. 14-92, 13-140, and 12-201, at 7-12 (filed July 7, 2013) (“NASCA Comments”).

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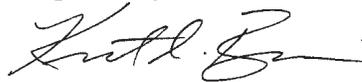
and submarine cable operators are no longer paying for direct FTEs providing regulatory benefits exclusively to other payors.²

- Given the Commission's proposal to continue its cap on fee increases, this legally-required reallocation would not pose an undue burden on other Commission payors whose fees would rise as a consequence of this reallocation.
- The Commission should decline to limit annual decreases in regulatory fees for particular payors, particularly where a decrease results from Commission efforts to correct a prior error in allocating revenue requirements among services.³ The rationale for avoiding economic harm to payors does not apply with respect to fee decreases, particularly where required by law.
- The Commission should reallocate indirect FTEs as direct FTEs for specific categories of payors where such FTEs provide material and sustained regulatory benefits to those specific payors.⁴ This is particularly true of many indirect FTEs within the Consumer and Governmental Affairs Bureau and the Enforcement Bureau, which focus on consumer services and/or have divisions specifically established to regulate activities associated exclusively with particular categories of payors. By contrast, submarine cable operators do not offer consumer services and do not use the radio spectrum at all.

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Should you have any questions, please contact me by telephone at +1 202 730 1337 or by e-mail at kbressie@harriswiltshire.com.

Respectfully submitted,



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Counsel for the
North American Submarine Cable Association

cc: Roland Helvajian
David Krech
Mika Savir
Thomas Sullivan

² See *id.* at 11, 12.

³ *Id.* at 12, 13.

⁴ *Id.* at 13, 14.