



March 21, 2014

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

Re: *Ex Parte* Communication: WC Docket No. 10-90

Dear Ms. Dortch:

On March 20, 2014, the undersigned of ITTA, Bob DeBroux of TDS Telecom, Mike Skrivan of FairPoint Communications, Bill VanderSluis of Enventis (by phone), Greg Lunsford of Comporium Communications (by phone), and Jeff Dupree of NECA¹ met with Deena Shetler, Doug Slotten, Pam Arluk, Kalpak Gude, Erin Boone, Robin Cohn and Dick Kwiatkowski (by phone) of the Wireline Competition Bureau to discuss outstanding issues relating to the Bureau's May 16, 2013 Public Notice² seeking input on ways to promote rate-of-return ("RoR") carriers' voluntary participation in model-based support under Connect America Fund ("CAF") Phase II, including through voluntary conversion to price cap regulation.

At the meeting, participants discussed ITTA's proposal for a voluntary two-phase transition to alternative regulation for RoR companies (the "Plan"). More specifically, participants described how the Plan would operate similar to processes already in use within the NECA pool. For common line, companies electing to participate in NECA's pools would have their ICLS frozen at current levels and included in the pool similar to the way rate-of-return affiliates of price cap carriers are treated under current pool administration procedures. Traffic sensitive switched access would continue on the current intercarrier compensation ("ICC") transition path following pool procedures currently in place for rate-of-return carriers. For special access, participants explained the Plan would be implemented similar in concept to the

¹ NECA's participation at the meeting was limited to discussing the NECA pooling process related to potential implementation of the Plan. NECA staff did not express an opinion on any other issues.

² Public Notice, "Wireline Competition Bureau Seeks Comment on Options to Promote Rural Broadband in Rate-of-Return Areas," DA 13-1112 (rel. May 16, 2013) ("May 16th Public Notice").



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existing average schedule mechanism. Following this process, a study area specific “retention ratio” formula would be calculated individually for each participating company using the interstate special access revenue requirement and revenues from the calendar year prior to electing participation in the Plan.

ITTA firmly believes that this proposal is consistent with the direction the Commission charted in the May 16th Public Notice. We also firmly believe that this proposal addresses a number of the concerns expressed by RoR carriers regarding conversion to a price cap regulatory structure.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

A handwritten signature in black ink that reads "Genevieve Morelli". The signature is written in a cursive, flowing style.

Genevieve Morelli
President

cc: Deena Shetler
Doug Slotten
Pam Arluk
Kalpak Gude
Erin Boone
Robin Cohn
Dick Kwiatkowski