



The voice of mid-size communications companies

September 12, 2014

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

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

Dear Ms. Dortch:

On September 10, 2014, Genny Morelli and the undersigned of ITTA, Bob DeBroux of TDS Telecom, Greg Lunsford of Comporium Communications (by phone), and Trey Judy of Hargray Communications (by phone) met with Pam Arluk, Ted Burmeister, Christopher Cook, Victoria Goldberg, Carol Matthey, Alex Minard, Tom Parisi, Deena Shetler, Doug Slotten, Jamie Susskind, and Suzanne Yelen of the Wireline Competition Bureau to discuss the Commission's ongoing efforts to further implement Connect America Fund ("CAF") Phase II.<sup>1</sup>

At the meeting, ITTA discussed its proposal for a voluntary two-phase transition to alternative regulation for rate-of-return ("RoR") companies (the "ITTA Plan"). We emphasized that a critical preliminary step that must be taken before model-based support can be implemented for RoR carriers is to ensure that the study area boundary data used in connection with calculating support is accurate, complete, and up-to-date. We understand that the Commission is in the process of incorporating into its maps the most current study area boundary information available from providers in order to properly utilize them in conjunction with model-based support for RoR carriers. We appreciate the Commission's efforts in this regard.

An additional step the Commission must take before implementing CAF Phase II for RoR carriers is to ensure that the process for determining where unsubsidized competition exists is accurate and workable in the RoR context. ITTA has suggested an alternative approach that would rely in part on FCC Form 477 data and be less burdensome for both the Commission and carriers to administer in comparison to the price cap challenge process currently in use. We look forward to continuing our dialogue with Commission staff on this issue.

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<sup>1</sup> *In the Matter of Connect America Fund; ETC Annual Reports and Certifications; Establishing Just and Reasonable Rates for Local Exchange Carrier; Developing a Unified Intercarrier Compensation Regime; Universal Service Reform – Mobility Fund; WC Docket Nos. 10-90, 14-58, 07-135, CC Docket No. 01-92, WT Docket No. 10-208, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54 (rel. June 10, 2014).*

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We urged the Commission to adopt ITTA's proposal to permit election into the ITTA Plan on a study area-by-study area basis as it would permit greater participation in the plan. The ITTA Plan, as proposed, creates incentives for carriers to transition from the legacy RoR regulatory framework by providing needed predictability and flexibility. The Commission should avoid deviating from this carefully crafted approach.

We also pointed out that the ITTA Plan would not require the Commission to change its rules relating to the treatment of special access services or NECA pooling procedures. The NECA pooling rules and rate-setting procedures for carriers opting alternative regulation under the ITTA Plan would work similarly to how they are applied today for average schedule carriers and RoR affiliates of price cap carriers. For carriers that do not participate in the NECA pool, current standard price cap rules with respect to special access services would apply.

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

Respectfully submitted,



Micah M. Caldwell  
Vice President, Regulatory Affairs

cc:	Pam Arluk	Victoria Goldberg	Tom Parisi	Jamie Susskind
	Ted Burmeister	Carol Matthey	Deena Shetler	Suzanne Yelen
	Christopher Cook	Alex Minard	Doug Slotten	