



The voice of mid-size communications companies

December 22, 2015

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:

Continuing its commitment to assist in the development and implementation of a voluntary model-based universal service (USF) support plan for rate-of-return (RoR) companies, ITTA submits the attached analysis.

ITTA is aware that the Commission is considering funding the budget for the optional model-based plan with a combination of legacy support that companies would bring with them to the plan along with additional allocations from available USF collections. ITTA strongly recommends that the Commission allocate at least \$200 million of additional funding annually over the 10 year term of the plan. As the attachments to this letter demonstrate, funding at this level will ensure greater achievement of public policy benefits as the Commission seeks to expand broadband deployment to unserved RoR customers.

ITTA performed an analysis of the impact on RoR company broadband deployment using \$200 million and \$100 million in additional annual allocations over 10 years. This analysis demonstrates that utilizing \$200 million annually will result in significantly more fully-funded locations, greater participation in the model-based plan, and a better nationwide distribution of broadband deployment.

Attachment A compares the difference in fully-funded locations using \$100 million and \$200 million of additional annual funding.<sup>1</sup> The chart illustrates a substantial difference in fully-funded locations: 378,000 with \$200 million in allocations compared to just 49,000 with \$100 million, a greater than a seven-fold difference.

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<sup>1</sup> The analysis assumes that any RoR company whose fully funded A-CAM support is greater than its existing legacy support would participate in the model-based plan and that FTTP locations are not funded.

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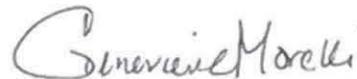
Attachment B presents a distribution of locations by U.S. Census region that would be fully funded with \$200 million and \$100 million annually. In each region, the impact is startling—many more locations will receive broadband service if \$200 million in additional funding is allocated. ITTA emphasizes that these impacts are even more noteworthy given that many of these locations will be served at 25/3 Mbps, which is the Commission's national target for broadband service.

In light of the above, ITTA urges the Commission to fund the voluntary model-based plan for RoR companies at a level of at least \$200 million annually plus existing legacy support among participating companies over 10 years.

In addition, ITTA requests that the Wireline Competition Bureau conduct and release the results of an Alternative Connect America Cost Model (A-CAM) run utilizing a 9.5% rate of return on investment.

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

Respectfully submitted,



Genevieve Morelli  
President

cc: Carol Matthey  
Suzanne Yelen  
Alex Minard  
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