July 21, 2015

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  
WC Docket No. 05-337, High-Cost Universal Service Support  
CC Docket No. 96-45, Federal-State Joint Board on Universal Service

Dear Ms. Dortch:

On July 17, 2015, the undersigned had a telephone conversation with Nick Degani, wireline legal advisor to Commissioner Ajit Pai to discuss the rate-of-return universal service reform plan proposed by Commissioner Pai. I commended Commissioner Pai and his staff for offering draft rules that would enable rate-of-return carriers to receive universal service fund (“USF”) support for stand-alone broadband service, and noted that the proposed rules have helped advance the USF reform debate in the short time since they were released.

With respect to the details of Commissioner Pai’s proposed rules, we discussed attributing certain stand-alone broadband service costs to various telecommunications plant costs, and the ability of carriers to recover certain costs through their tariffed service. I mentioned the possibility that some companies may attribute a significant amount of interoffice equipment costs to stand-alone broadband service. Additionally, I noted that the proposed rules sensibly utilize existing cost categories and rules that are well-known to rate-of-return carriers, and do not require any changes to Part 36 of the Federal Communications Commission’s (“FCC”) rules.

1 Statement of FCC Commissioner Ajit Pai Announcing His Plan to Support Broadband Deployment in Rural America, FCC News Release (June 29, 2015).
We briefly discussed the FCC’s Alternative Connect America Cost Model (“A-CAM”). I noted that many rate-of-return carriers have indicated that there are numerous factors that they will have to consider before deciding whether to voluntarily move to a cost model regulatory system. Even carriers that would receive an increase in annual high-cost USF support would have to closely consider the A-CAM’s term of support, build-out obligations, whether there will be an adequate challenge process, and other details before making a decision.

Pursuant to Section 1.1206 of the FCC’s rules, this ex parte is being filed using the electronic comment filing system.

Respectfully submitted,

/s/ Anthony K. Veach

By: __________

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cc (via email): Nick Degani