



Advocates for Rural Broadband

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October 3, 2014

Filed Via ECFS

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

**RE: WC Docket Nos. 10-90, 14-58, 07-135 and 13-184; WT Docket No. 10-208; and
CC Docket No. 01-92**

Dear Ms. Dortch:

On Thursday, October 2, 2014, Mark Gailey of Totah Communications, Inc. of Ochelata, OK; and Gerard Duffy representing WTA – Advocates for Rural Broadband (“WTA”) met with Amy Bender, Legal Adviser – Wireline to Commissioner Michael O’Rielly, to discuss various matters regarding the Data-Only Broadband (“DoBB”) Plan proposed by the Rural Associations and the Commission’s pending E-Rate Modernization further rulemaking.

The discussion encompassed a range of topics, including: (a) how the proposed DoBB support reduction mechanism ensures that DoBB support will not cause total high-cost RoR support to exceed current and future RoR budget targets; (b) the role of the Capital Budget Mechanism component of the DoBB Plan in providing RoR carriers with predictable and stable estimates of the levels of annual broadband infrastructure investment that are likely to be supported by the DoBB program (subject, of course, to the DoBB support reduction mechanism if the RoR budget target is exceeded); (c) the unsuccessful efforts to date of WTA and other Rural Associations to find some type of “forward looking cost” mechanism that can help distribute RLEC high cost support in an accurate, equitable and efficient manner without creating unwarranted “winners” and threatening the viability of substantial “losers;” (d) the fact that models such as the current Connect America Cost Model (“CACM”) are recognized to be accurate when averaged and smoothed over hundreds of local exchanges, but significantly underestimate or overestimate costs when applied to the small numbers of local exchanges served by most RoR carriers; and (e) the fact that the DoBB Plan is the only alternative presently before the Commission that meets its goals regarding budgetary compliance, equitable and efficient distribution, and safeguards against double recovery, and that does so in a manner that enhances consumer choice, requires minimal rule changes, and minimizes the danger of substantial support disruptions and unforeseen adverse consequences.

The proposed consortia rules and incentives pending in the Commission's further rule making in the E-Rate Modernization proceeding (WC Docket No 13-184) were also discussed. The primary concerns of WTA members are: (1) that consortia tend to be much more focused upon larger urban and suburban schools and libraries, and tend to overlook or disregard the actual service needs and financial resources of smaller rural schools and libraries; (2) that consortia often ignore the presence and capabilities of RoR carriers serving rural schools and libraries, and exclude them purposely or inadvertently from participation; and (3) that RoR carriers have a long and demonstrated record of serving their rural communities, and should be encouraged to continue providing customized and often less expensive facilities and services that directly address the actual needs of their local rural schools and libraries rather than being overbuilt by statewide consortia. WTA expressed concern with the sustainability of the E-rate program if the consortia rules incentivize bulk purchasing in a way that does not ensure the consideration of individualized, local school and library district data needs which often can be met in a more cost-effective manner by local service providers that already serve those communities.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceedings.

Respectfully submitted,

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