February 3, 2017

Ex Parte Notice

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

Re: Connect America Fund, WC Docket No. 10-90; ETC Annual Reports and Certifications, WC Docket No. 14-58; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

On February 1, 2017, the undersigned on behalf of NECA communicated via email with Joseph Sorresso of the Wireline Competition Bureau to address potential methods for determining consumer broadband-only loop investment and expense allocations.

NECA staff addressed the various cost allocation methods for assigning broadband-only loop investment and expenses in existing Parts 36 and 69 rules. In particular, use of existing Parts 32, 36 and 69 processes to identify and apportion broadband-only loop costs from interstate special access to the Consumer Broadband-Only Loop category, with only minor modifications to the Part 69 rules, would minimize the need for new processes outside of the cost study process to identify (or collect) and transfer these costs appropriately. Direct investment amounts for broadband-only loop are in Cable & Wire Facilities Category 2 Wideband and Central Office Equipment Category 4.11 Wideband Exchange Line Circuit Equipment. Using existing cost study processes to apportion these investments to the Consumer Broadband-Only Loop category will also apportion other investments (e.g., Land and Support Assets) and/or associated reserves (e.g., accumulated depreciation) that follow the specific categorized investments. Expense accounts are not specifically classified as broadband-only, but included in the various accounts and apportioned in almost all cases in the Part 36 and 69 rules to follow either the treatment of corresponding investments or other expense allocations.

Pursuant to section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS.

Sincerely,

cc: Joseph Sorresso