June 15, 2017

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On June 14, 2017, Ron Hinds of Grand River Mutual Telephone, Dusty Johnson of Vantage Point Solutions, and John Kuykendall and Cassandra Heyne of JSI (“Ex Parte Participants”) held an ex parte meeting with Jay Schwarz of Chairman Pai’s Office and Kris Monteith, Lisa Hone, Alex Minard, Katie King, and Dana Zelman of the Wireline Competition Bureau (“FCC Staff”).

The Ex Parte Participants urged FCC Staff to consider, in coordination with fully funding original model offers, a particularly efficient way to deploy broadband by making offers of model funding to RLECs whose model eligibility or funding was affected by clerical oversights (“Affected Companies”). The Ex Parte Participants walked through the attached slides, on behalf of Vantage Point Solutions, JSI, Grand River Mutual (MO), Baraga Telephone (MI), Miles Telephone (IA), Clarity Telecom LLC d/b/a Vast Broadband (SD), and Hayneville Telephone Company (AL).

In particular, the Ex Parte Participants emphasized that this approach would further the Commissions’ desire to close the digital divide by deploying broadband in an efficient manner. Providing model funding to the Affected Companies would increase the number of prescribed broadband locations by 32% but only increase new model funding by 9% (compared to fully funding the original model offers).

In addition, Ex Parte Participants advocated for additional long-term funding for companies who remained on the rate-of-return path. Please contact me if any additional filings or information related to our ex parte meeting are required.

Sincerely,

Dustin “Dusty” Johnson
Vice President of Consulting
Vantage Point Solutions
An Additional Opportunity for the FCC to Induce Efficient Deployment of Broadband

June 14, 2017
Ex Parte Discussion
With Wireline Competition Bureau Staff and Jay Schwarz, Advisor to FCC Chairman Pai
Fully Funding Original Model Offers

• The FCC is considering whether to fully fund the original model offers, which would spend $100 million to increase the “prescribed buildout obligations” by 46,000 locations. That is less than $2,200 annually per broadband location.

• Vast Broadband, Grand River Mutual, Baraga Telephone, Hayneville Telephone, and Miles Telephone agree with the large number of commenters who have urged the FCC to allocate additional resources to model companies.
An Additional Opportunity

• As the FCC funds the original model offers, it can also deploy broadband *even more efficiently*, using the A-CAM and information already on file with the FCC.

• The FCC can realize that efficient deployment by allocating additional funding to address situations where A-CAM funding was not allocated due to clerical oversights.
Scope of Affected Companies

<table>
<thead>
<tr>
<th>State</th>
<th>GROUP</th>
<th>Rate of Return Study Area</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>WI</td>
<td>A</td>
<td>SHARON TEL CO</td>
<td>FTTP removal</td>
</tr>
<tr>
<td>SD</td>
<td>A</td>
<td>KNOLOGY COMMUNITY TELEPHONE, INC.</td>
<td>FTTP removal</td>
</tr>
<tr>
<td>MO</td>
<td>A</td>
<td>GRAND RIVER MUT-MO</td>
<td>FTTP removal</td>
</tr>
<tr>
<td>OR</td>
<td>A</td>
<td>ST PAUL COOP ASSN</td>
<td>FTTP removal</td>
</tr>
<tr>
<td>AL</td>
<td>B</td>
<td>HAYNEVILLE TEL CO</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>MI</td>
<td>B</td>
<td>BARAGA TEL CO</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>IA</td>
<td>B</td>
<td>MILES COOP TEL ASSN</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>NE</td>
<td>B</td>
<td>ARAPAHOE TEL CO</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>MO</td>
<td>B</td>
<td>STEELVILLE TEL EXCH</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>AZ</td>
<td>B</td>
<td>VALLEY TEL COOP-AZ</td>
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</tr>
<tr>
<td>NM</td>
<td>B</td>
<td>VALLEY TEL COOP - NM</td>
<td>excluded - 90% 10/1</td>
</tr>
<tr>
<td>IL</td>
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</tr>
<tr>
<td>IA</td>
<td>C</td>
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</tr>
<tr>
<td>MO</td>
<td>C</td>
<td>IAMO TEL CO - MO</td>
<td>email</td>
</tr>
</tbody>
</table>

Vantage Point and JSI examined the record in WC Docket No. 10-90 to find companies that have made formal notice to the FCC of clerical oversights impacting their model offers.
Highly Efficient Deployment

Providing model funding to these affected companies would induce broadband deployment in a highly efficient way:

<table>
<thead>
<tr>
<th></th>
<th>Supplemental Support</th>
<th>Additional Prescribed Broadband Locations</th>
<th>Annual Cost Per Prescribed Location</th>
<th>Additional Prescribed Locations Per $1 M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting Original A-CAM Offer</td>
<td>$101,752,476</td>
<td>46,624</td>
<td>$2,182</td>
<td>458</td>
</tr>
<tr>
<td>Funding Affected Companies*</td>
<td>$8,649,816</td>
<td>14,771</td>
<td>$586</td>
<td>1,708</td>
</tr>
</tbody>
</table>

* Data for the affected companies were estimated by Vantage Point and JSI. Reliable estimates for Valley Telephone Cooperative (AZ and NM) were not available, so are not included in this data.
Highly Efficient Deployment

Extending these offers (at the same time the FCC fully funds existing offers) furthers the FCC’s goals of USF reform, including “distributing support . . . efficiently” and deploying broadband in a “cost effective” manner.

![Chart showing annual cost per prescribed broadband location, with Meeting the Original A-CAM Offer at $2,182 and Funding Affected Companies at $586.]
Conclusion

• As the FCC works to efficiently deploy broadband by fully funding the original model offers, it can deploy broadband *even more efficiently* by also extending model offers to the affected companies.

• Doing so would require a funding increase of 9% (over just fully funding model offers), but *would increase new prescribed broadband locations by 32%.*