

FEDERAL COMMUNICATIONS COMMISSION

CONNECT AMERICA PHASE II COST MODEL WORKSHOP

SEPTEMBER 13 & 14, 2012

Agenda

September 13, 2012: Commission Meeting Room

9:00–9:15am

Introductions & Opening Remarks

Julie Veach, Bureau Chief, Wireline Competition Bureau

Steve Rosenberg, Chief Data Officer, Wireline Competition Bureau

Moderator

9:15–10:30am

Session 1

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ Overview of the CostQuest Broadband Analysis Tool (CQBAT) and its Economic Underpinnings
 - High Level Overview
 - Review of General Assumptions
 - Overall design
 - Coverage of existing broadband
 - Network design
 - Take rate
 - Classifying companies to size and type
 - Network Capability
 - Voice / data / video
 - Overview of Economic Underpinnings
 - Levelization
 - Basic financial model

❖ Q/A

10:30-11:00am

Break

11:00–12:30pm

Session 2

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ Overview of CQBAT and its Economic Underpinnings (continued)
 - Overview of Economic Underpinnings (continued)
 - Annualization
 - Greenfield and brownfield
 - Cost assignment
 - Capturing Company and Geographic Specific attributes
- ❖ Comparison to Prior Modeling Approaches (Specifically the High-cost Proxy Model-HCPM)
- ❖ CQBAT Platform Overview
 - Review of Data Sources
 - Logic/Structure
 - High-level review of code steps
 - Output structure

❖ Q/A

12:30–1:30pm

Lunch Break

1:30–3:00pm

Session 3

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ CQBAT Input Review (and sources)
 - Capex
 - Opex
 - Plant Mix
 - Sharing
 - Take Rate
 - Regional Cost Adjustment (what is it applied to)
- ❖ CQBAT Network Capex Overview
 - Middle Mile
 - Network routing
 - Assumptions
 - Testing
 - Telecom Plant
 - Review network topology development
 - Fiber to the DSLAM (FTTD) vs. Fiber to the Premises (FTTP)
 - Assumptions
 - What is in the Central Office (CO)
- ❖ Q/A

3:00-3:30pm

Break

3:30–4:30pm

Session 4

David Blessing, Parrish, Blessing and Associates, Inc.

Karen Brinkmann, KAREN BRINKMANN PLLC

- ❖ ACS Model Introduction
- ❖ Discussion of Significant Cost Differentials In Deploying Broadband in Alaska
- ❖ Summary of ACS Proposed Model
 - Modeling Process
 - Model Results
- ❖ Q /A

4:30–5:30pm

Session 5

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ Continuation of CQBAT Network Capex Overview
 - Network Topologies within CQBAT
 - Sizing Assumptions
 - Interplay of User Inputs
 - Shared Cost Allocation
- ❖ Q/A

September 14, 2012: Conference Room 4South

9:00–11:00am

Session 1

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ CQBAT Opex Overview
 - Structure
 - Development of Costs and Drivers
- ❖ Treatment of Areas Outside the “Mainland”
- ❖ Online CQBAT
 - Review of Run Time Parameters
 - Overview Filter Fields
 - Reporting
 - Review Audit Reports
 - Review Data Dumps
- ❖ Q/A

11:00-11:30am

Break

11:30–1:00pm

Session 2

James Stegeman & Mark Guttman, CostQuest Associates

- ❖ Review of Current CQBAT Results
 - What Runs Were Filed with the FCC
 - Report Results
 - Maps
- ❖ Key Issues of a Refresh With Logic “as-is”
 - Use of 2010 Census
 - Wire Center boundaries to Use
 - Customer Data to Use
 - Extent of Existing Broadband Coverage
 - Regional Adjustment Refresh
 - Key Assumptions to Review
- ❖ Q/A