



April 19, 2018

Notice of Ex Parte

Marlene Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: *Connect America Fund: Performance Measures for
Connect America High-Cost Universal Service
Support Recipients
WC Docket No. 10-90; DA 17-1085***

Dear Ms. Dortch:

On April 17 and 19, 2018, the undersigned, on behalf of NTCA–The Rural Broadband Association (NTCA) discussed the above-captioned docket via telephone with Suzanne Yelen and Stephen Wang of the Wireline Competition Bureau. Nathan Weber of Vantage Point Solutions joined the April 19 telephone call.

In these conversations, NTCA referenced comments that it filed in the above-captioned docket on December 6, 2017, and a previous *ex parte* presentations on January 31, 2018. The purpose of these conversations was to supplement NTCA's prior presentations to Staff with information regarding anticipated compliance costs and network segments that would be subject to prospective rules.

When preparing initial comments, NTCA was made aware by members that some modems offer the ability to execute performance testing without the need for additional CPE. It was determined, however, that these units were not widely in the market. Subsequent to filing comments and meeting with Staff, NTCA learned that a major manufacturer had notified prospective customers of a delay in the introduction of anticipated new equipment that was expected to feature these capabilities, specifically, built-in testing that is remotely accessible. As such, the near-future distribution of such equipment to rural markets is less dependent upon simply exhausting current inventories of older models (and restocking inventory with new models) than it is upon *actual availability* of new models in the marketplace. Therefore, NTCA urges the Commission to be cautious in any approach that is based upon built-in testing

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capabilities, since products with those features are not as widely available as may have been anticipated. Accordingly, NTCA urges the Commission to premise anticipated costs upon those that arise when using separate CPE units. Toward this end, NTCA explained that cost inputs include, *inter alia*: cost of the device; customer interaction to identify and obtain customer authorization to deploy the device; truck-roll to deliver and install the device; truck-roll to retrieve the device, and; administrative costs relating to customer support, data collection and analysis. Additionally, providers would need to account for the possibility of customer attrition during the testing periods.

NTCA also discussed the impact of compliance testing on network performance, and the need to ensure that results that represent accurately the capacity of the network.

NTCA also discussed with Staff, consistent with prior filings and meetings, the appropriate network segments that would be subject to performance measurement obligations. NTCA explained by way of example that network performance beyond a provider's direct interconnection with an upstream ISP is beyond the provider's control due to variables that determine the unpredictable path of traffic that is inherent to the design of the internet. Accordingly, to the extent that performance measurement obligations are intended to confirm the proper effectiveness of universal service support, that effectiveness can reasonably be measured only insofar as the measurements track performance of supported facilities; the acquisition of connections to or capacity beyond the provider's network may be necessarily informed by whether the costs of those facilities are recoverable.

Finally, and consistent with prior filings, NTCA discussed with Staff the appropriate number of testing locations for small providers.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed with ECFS.

Respectfully submitted,

/s/ Joshua Seidemann

Joshua Seidemann

Vice President of Policy

cc: Suzanne Yelen
Stephen Wang