



June 20, 2019

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**RE: *Connect America Fund, WC Docket No. 10-90; Modernizing the FCC Form 477 Data Program, WC Docket No. 11-10***

Dear Ms. Dortch:

On Wednesday, June 19, 2019, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) met with Preston Wise, special counsel to Chairman Ajit Pai, to discuss several matters in the above-referenced proceedings.

**Inaccuracies in Model Identification of Serviceable Locations.** NTCA first raised concerns regarding ongoing reports from providers that the models used to develop buildout obligations in the context of the high-cost universal service fund (“USF”) programs overseen by the Federal Communications Commission (the “Commission”) render counts of locations that do not resemble “facts on the ground” in rural areas, particularly when measured on a more granular basis for purposes of compliance with deployment duties imposed pursuant to the Connect America Fund Phase II auction and the Alternative Cost America Cost Model (“ACAM”). NTCA observed in particular that the mismatch in locations found in the field as compared to the model in many cases could have an unfortunate deterrent effect on providers that might otherwise elect ACAM support, undermining the predictability and effectiveness of that mechanism as intended by the Commission.

NTCA suggested that the Commission conduct a more detailed “forensic investigation” of why the models appear to be so amiss in estimating location counts in many rural areas, including a review of how business locations were defined and incorporated within the model in the first instance using an underlying proprietary database. NTCA further noted that a review of the latter point – how business locations were defined and identified in constructing the models – would seem important, given the significant and important questions currently pending with respect to the proper definition of a home-based business for purposes of compliance reporting. To this end, consistent with its prior advocacy, NTCA also urged prompt action by the Commission to direct the Universal Service Administrative Company to clarify its “Frequently Asked Questions” to provide a more reasonable interpretation of what constitutes and qualifies as a home-based business while still ensuring accountability in the construction of networks throughout rural areas and delivery of services to each addressable location. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed June 5, 2019); *see also* Petition for Declaratory Ruling or Clarification of Northeast Iowa Telephone Company and Western Iowa Telephone Association, WC Docket No. 10-90 (filed May 6, 2019).

Finally, and particularly in light of the concerns noted above, NTCA encouraged the Commission to adopt a reasonable and flexible approach to recalibration of buildout obligations where “facts on the ground” do not match model predictions of how many locations exist to be served in rural areas. This would include both prompt and clear resolution of the issues raised in a recent public notice to establish a process for such showings, as well as review at a future date of the extent to which the 2020 census may reflect declining population and location counts as compared to the 2010 census data used in the original models. *See Wireline Competition Bureau Issues Corrected Alternative Connect America Model II Offers to 37 Companies, Extends the Election Deadline, and Seeks Comment on Location Adjustment Procedures*, Public Notice, WC Docket No. 10-90, DA 19-504 (rel. June 5, 2019).

**Broadband Availability Mapping.** NTCA next discussed, consistent with prior advocacy, its recommendations on how to improve the processes for identifying broadband availability and unserved locations. In particular, NTCA noted the benefits and useful balance of making immediate improvements to existing reporting structures through the use of shapefiles, while also taking steps to develop and implement a system that would provide greater granularity for identification of availability (or lack thereof) for individual addressable locations. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Dockets No. 10-90 and 11-10 (filed April 30, 2019). NTCA urged the Commission not to adopt an “either/or” approach to such improvements, but to plan for and then to take both near-term and longer-term steps in promoting a better sense of broadband availability and unavailability.

NTCA also noted, however, the need for more detailed standardization of availability reporting requirements upfront, including clear definition of assumed network capabilities and propagation characteristics. NTCA argued that, in the absence of any such measures, even reporting on a more granular basis would provide marginal value in establishing more accurate maps that reflect the actual capability of providers to deliver services to customers in rural areas where topography, foliage, and other natural barriers can present real impediments that are not present in laboratory-derived estimates of network or spectrum capabilities.

Finally, NTCA asserted that, even if the Commission were to take the above-referenced steps to make broadband availability maps more granular and accurate, there is still need for a validation and challenge process to ensure accuracy before decisions are made with respect to policy or funding. In particular, NTCA observed that the measures noted above should help to catch errors in reporting and narrow any disputes, disagreements, or challenges over whether broadband availability is overstated in any given area – but that these measures would still not ensure the ultimate accuracy of the reports submitted and the maps developed based upon them. Thus, NTCA continued to urge the Commission to employ robust, data-driven validation and challenge processes to “fill the gaps” (even if substantially narrowed) where disagreements still arise over coverage claims, particularly where such disagreements could affect whether operations in an area will be supported by USF and consumers in an area left without voice and broadband services as a result.

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**Standalone Broadband Adoption.** NTCA also discussed the need for the Commission to address the potential for increasing standalone broadband conversions to reintroduce the troubling effects of the USF budget control mechanism just after the Commission took important and much-welcomed steps last year to overcome the uncertainty associated with that mechanism. *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176 (rel. December 13, 2018). More specifically, NTCA observed that absent some measure to address potential changes and spikes in USF support during this transitional period, it was likely that the budget control mechanism would be retriggered and generate unpredictability in support levels among smaller rural operators again. To be clear, NTCA reiterated its long-standing support for the ability of consumers to elect services of their choosing on networks that provide quality voice and high-speed broadband, and also reaffirmed that no provider should lose support previously received in connection with any policy that may be adopted to address this concern. NTCA further observed that any action needed to address this issue should be truly “time-limited” in nature, reflecting only the temporary budgetary impacts associated with a transition to greater standalone broadband adoption by consumers over the next several years before sunseting as a limitation. *See* Comments of NTCA, WC Docket No. 10-90, *et al.* (filed March 8, 2019), at 14-21. NTCA pledged to provide further analysis to the Commission with respect to the potential budget control mechanism impacts and how a temporary measure such as that proposed by NTCA would help to address such concerns.

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 via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President –

Industry Affairs & Business Development

cc: Preston Wise