



July 11, 2018

***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; ETC Annual Reports and Certifications, WC Docket No. 14-58; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92***

Dear Ms. Dortch:

On Tuesday, July 10, 2018, Denny Law, General Manager and Chief Executive Officer of Golden West Telecommunications, and the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) met separately with Commissioner Michael O’Rielly; Jay Schwarz, Wireline Advisor to Chairman Ajit Pai; Travis Litman, Chief of Staff and Senior Legal Advisor to Commissioner Jessica Rosenworcel; and Jamie Susskind, Chief of Staff to Commissioner Brendan Carr, to discuss matters in the above-referenced proceedings.

In each meeting, NTCA first thanked the Federal Communications Commission (the “Commission”) for its vote in March to address, on an interim or partial basis, significant shortfalls in universal service fund (“USF”) support. *Connect America Fund*, WC Docket No. 10-90, *et al.*, Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking (rel. March 23, 2018). To address these issues more comprehensively on a longer-term basis, NTCA expressed positions consistent with its recent filings in these dockets. *See* Comments of NTCA, WC Docket No. 10-90, *et al.* (filed May 25, 2018); Reply Comments of NTCA, WC Docket No. 10-90, *et al.* (filed June 25, 2018). As a means of demonstrating the effects of the budget shortfalls on broadband availability and affordability, Mr. Law then described Golden West’s inability in the face of an insufficient high-cost USF budget to plan for and make investments that would upgrade services for consumers in need of improved broadband access, and identified a series of broadband network deployment projects that would be postponed indefinitely due to such regulatory uncertainty and the lack of sufficient and predictable support. NTCA noted that a variety of policymakers and stakeholders share similar concerns, as evidenced by the comments in the record, the statements of the commissioners themselves in the March order, letters from nearly 200 members of Congress asking the Commission to tackle these concerns, and the statement released by Chairman Pai upon announcement of the 2018 budget control that will slash support by an average of 15.5 percent for the remainder of this year and the first half of 2019.

Marlene H. Dortch

July 11, 2018

Page 2 of 2

We then observed that the record also demonstrates overwhelming support for NTCA's proposed solutions for these concerns – including significant consensus with respect to the amounts necessary to restore greater predictability and sufficiency to the USF programs whether calculated on a “bottoms-up” basis (*i.e.*, by projecting the needs of each program component) or via the application of inflationary factors such as have been utilized to adjust the budgets of other USF programs. *See, e.g., Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order (rel. June 25, 2018); *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6; *A National Broadband Plan for our Future*, GN Docket No. 09-51, Sixth Report and Order, 25 FCC Rcd 18762, 18781-84 (2010) (attaching inflationary adjustments to USF programs and recalibrating “baseline” budgets based upon those).

Given the significant negative impacts of an insufficient and uncertain USF budget upon consumers and providers' ability to invest at a time when the federal government has made rural broadband a national priority, given the patent insufficiency of the USF programs despite a statutory mandate to the contrary and even in the wake of many years and multiple rounds of sweeping reforms that have made these USF programs more efficient and accountable, and in light of the substantial consensus among policymakers and other stakeholders with respect to what is needed to ensure that both the model and cost-based USF programs will receive more sufficient funding to perform as designed and reformed, NTCA urged the Commission to act promptly in the next several months to put these programs on a path for success for the next decade and beyond.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the rules of the Commission, 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: Commissioner Michael O'Rielly  
Jay Schwarz  
Travis Litman  
Jamie Susskind