



July 20, 2016

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; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92*

Dear Ms. Dortch:

On Tuesday, July 19, 2016, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) met with Carol Matthey, Alexander Minard, and Suzanne Yelen from the Wireline Competition Bureau to discuss matters in the above-referenced proceeding.

During the meeting, NTCA encouraged the Federal Communications Commission (the “Commission”) to develop a clear implementation schedule that will enable all reforms (model and non-model) to take effect at approximately the same time to the extent possible, and to provide carriers with sufficient estimates, calculations, and other data in advance of any implementation deadlines to help inform upcoming universal service fund (“USF”) support elections. In particular, NTCA noted the importance of providing data or analyses that would allow carriers to estimate, if not completely ascertain, the impacts of reforms still being implemented – specifically: (1) the new operating expense limits; (2) the competitive overlap rule; (3) any new buildout obligations; (4) the budget control as it might apply in 2017, and (5) the new capital investment allowance governing recovery of prospective investments via USF.

Turning to its pending Petition for Reconsideration and/or Clarification, although NTCA continues to assert that questions of sufficiency and reasonable comparability of the USF programs and recovery of interstate costs are of the utmost concern as they affect consumers directly and raise significant questions as to whether the reforms comport with statutory and other legal requirements, NTCA reiterated that a top immediate reconsideration priority must be the management of USF budgets in the event of certain carriers electing but then subsequently declining model support. NTCA noted that, above all else, it is essential for the Commission to structure and conduct the model elections in a way that do not leave non-model carriers with insufficient support by penalizing those carriers that did *not* elect the model for the choices of those that expressed initial interest in the model but then “backed out of” a final election.

Marlene H. Dortch

July 20, 2016

Page 2 of 2

Finally, NTCA urged the Commission to address several additional items presented in its Petition for Reconsideration and/or Clarification in the near-term as part of this same effort described above to provide carriers with clarity and sufficient data to make informed decisions with respect to USF support elections in coming months. Specifically, NTCA asked the Commission to address as soon as practicable those questions and concerns raised in its Petition regarding operating expense limits, capital investment allowances, and the imputation of access recovery charges – and noted that timely action on clarifying aspects of the capital investment allowances in particular would be useful in estimating the impacts of that reform.

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: Carol Matthey
Alexander Minard
Suzanne Yelen