



November 8, 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*

Dear Ms. Dortch:

On Monday, November 7, 2016, the undersigned, on behalf of NTCA–The Rural Broadband Association (“NTCA”), met with Nicholas Degani, legal advisor to Commissioner Ajit Pai, regarding matters in the above-referenced proceeding.

Specifically, consistent with prior advocacy, NTCA discussed resolution of universal service fund (“USF”) budget concerns arising due to “oversubscription” for model-based support. *See Ex Parte* Letter from Michael R. Romano, Senior Vice President, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission (the “Commission”), WC Docket No. 10-90 (filed July 28, 2016); Petition for Reconsideration and/or Clarification of NTCA, WC Docket No. 10-90, *et al.* (filed May 25, 2016) (“NTCA Petition”), at 12-14. NTCA observed that failure to achieve a prompt and thoughtfully designed resolution of budget concerns arising out of such oversubscription could both undermine model election efforts and have a significant punitive impact on non-model mechanisms – particularly the consumer rates for standalone broadband that are already highly likely to be negatively affected by insufficient USF support budgets. *See* NTCA Petition, at 2-9; *see also Ex Parte* Letter from Michael R. Romano, Senior Vice President, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 (filed May 12, 2016) (identifying several options for addressing budget implications of model elections). Even as the Commission and the industry continue to examine potential options for addressing budget shortfalls on *both* sides of the USF mechanisms that support small carrier investments and operations, NTCA observed that, at minimum and above all else, any resolution of issues relating to model oversubscription: (1) must ensure calibration of buildout obligations to available model-based support to the extent that the increases that each model elector is slated to receive would be reduced; and (2) must not have an adverse impact of any kind now or in the future upon the hundreds of companies that did not elect model-based support but yet already face significant USF support reductions in 2017 due to “budget controls” that will hinder their ability to keep investing, to repay loans for investments already made, and to offer affordable, quality broadband services to consumers.

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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: Nicholas Degani