



1000 Westgate Drive, Suite 252
St. Paul, Minnesota 55114 651-291-7311
FAX 651-290-2266
www.mnta.org

15 October 2015

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 Wednesday, October 14, 2015, the undersigned, on behalf of Minnesota Telecom Alliance (“MTA”), together with Steve Katka of Albany Mutual Telephone Association, Gary Johnson of Paul Bunyan Communications, Jim Beattie of Bevcomm, and George Wikstrom of Wikstrom Telephone Co, Inc (collectively, the “Rural Representatives”) held separate meetings to discuss matters in the above-referenced proceeding with: (1) Stephanie Weiner from the office of Chairman Tom Wheeler; (2) Nicholas Degani from the office of Commissioner Ajit Pai; (3) Travis Litman from the office of Commissioner Jessica Rosenworcel; and (4) Amy Bender from the office of Commissioner Michael O’Rielly.

In each meeting, the Rural Representatives began by describing how each company has deployed fiber in their networks and continue to deploy advanced data services. Each of the Rural Representatives described their serving areas and the difficulties faced serving rural parts of Minnesota. The Rural Representatives discussed the need for USF support for stand-alone broadband until a long term sustainable Connect America Fund plan can be implemented for Rate of Return companies. The continually raising rates of landline telephone lines are making them less attractive to consumers and more difficult to sell. It is very clear that consumers only want to purchase broadband, yet our members must sell them telephone service in order to access universal service funds and thereby make the cost of the service reasonable. Gary Johnson gave an example of how his company rolled out gigabit broadband service in a Competitive Local Exchange Company (CLEC) area. Because this area was not eligible for USF support, they were able to offer broadband without landline telephone service. Although they aggressively priced their telephone service, only 40% of the customers in this service territory subscribed to telephone service.

The Rural Representatives next discussed in each meeting the need for a long term sustainable Connect America Fund for Rate of Return carriers. This discussion did not focus on the specifics of the plans that have already been submitted. The conversation was more on the affects USF/CAF uncertainty is having on further deployment of broadband in rural parts of Minnesota.

The Rural Representatives gave specific examples on how each of their companies no longer build out broadband to everyone in their service territories, but now be more strategic in their deployment strategies. Examples were given on how companies do surveys and require new customers to sign contracts before service is installed. The Rural Representatives also discussed the need for contribution reform of the Connect America Fund. As collectors of Federal Universal Service Fund (FUSC) charges on consumers telephone bills, we have concerns that as the number of landline telephone subscribers continues to decrease, so will the amounts collected for CAF. We are concerned that this will cause the FUSC rate to increase to the point that it pushes more customers away from landline telephone service.

Thank you for your attention to this correspondence.

Cordially,

A handwritten signature in black ink, appearing to read "Brent J. Christensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brent J. Christensen
President/CEO

cc: Stephanie Weiner
Nicholas Degani
Travis Litman
Amy Bender