



July 7, 2011

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, *National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92

Dear Ms. Dortch:

On Tuesday, July 5, 2011, Shirley Bloomfield, CEO of the National Telecommunications Cooperative Association (NTCA) met with Carol Matthey of the Commission's Wireline Competition Bureau.

NTCA discussed the need to ensure sufficient cost recovery to promote and sustain broadband availability and affordability in rural areas, consistent with Universal Service principles. NTCA urged avoidance of measures that would eliminate the ability of rural providers to invest in and maintain broadband networks, resulting in an effective reversal of broadband achievements in rural America. NTCA also discussed, generally, the vigorous response of rural carriers to the Commission's call for substantive data. These data demonstrate the need for high-cost support, the success of existing Commission policies (including rate-of-return regulation), the abiding commitment of rural carriers to their service areas, and the jeopardy into which these carriers would be placed if insufficient cost recovery mechanisms are adopted.

NTCA discussed rural providers' good-faith compliance with Federal policies, including those ordered by the Commission and promoted by other departments, including the Rural Utilities Service. These efforts have resulted in vibrant broadband-capable networks that support consumer-oriented initiatives, including, but not limited to, distance learning and rural tele-healthcare.

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The reform plan filed by NTCA and its rural partners, and supported by national, regional, and state rural telecom associations (*see, e.g., ex parte* filing of NTCA, May 26, 2011) establishes a framework within which these successes can continue, all while controlling growth in the size of the Fund and enabling rural carriers to “edge out” broadband in rural areas.

Notwithstanding the rural plan that has been filed, and which NTCA continues to support, NTCA remains committed to working with industry parties toward appropriate and responsible USF and ICC reform.

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS with your office.

If you have any questions or require additional information, please do not hesitate to contact me at (703) 351-2035 or jseidemann@ntca.org.

Respectfully submitted,

/s/ Joshua Seidemann

Joshua Seidemann

Director of Policy

JS:rhb

cc: Carol Matthey