



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

*The Voice of Rural Telecommunications*

www.ntca.org

October 6, 2011

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

***Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109***

Dear Ms. Dortch:

On Tuesday, October 4, 2011, the undersigned from the National Telecommunications Cooperative Association (“NTCA”), together with Richard Coit, Executive Director of the South Dakota Telecommunications Association (“SDTA”) and Chairman of NTCA’s Industry Committee, Denny Law, General Manager of Golden West Telecommunications, and Randy Houdek, General Manager of Venture Communications Cooperative (collectively, the “Rural Representatives”), met separately with Margaret McCarthy, the wireline policy advisor to Commissioner Michael Copps, and Angela Kronenberg, wireline legal advisor to Commissioner Mignon Clyburn, to discuss matters related to the above-referenced proceedings.

The Rural Representatives initiated each meeting by discussing the unique challenges of operating in high-cost rural areas, as depicted in the maps attached hereto (copies of which were provided in each meeting). The maps show that small independent operators serve over 80% of the landmass of South Dakota and demonstrate that, for the vast majority of South Dakota, competitors have made little effort to reach consumers in rural areas. The Rural Representatives also discussed how South Dakota companies have come together to seek and obtain efficiencies in the form of a statewide fiber network, and they explained how this fiber network enables the delivery of high-quality broadband services to community anchor institutions, cell towers, and end-user consumers across the state. The South Dakota companies noted in particular that their networks serve nearly every school district in the state, and they talked about the challenges of a “one-size-fits-all” approach to delivering broadband to anchor institutions. The Rural Representatives also discussed how South Dakota providers operate under carrier-of-last-resort obligations in the state, and the importance of ensuring continued accountability through updated mechanisms that reflect the needs and demands of consumers in a broadband-based environment.

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The Rural Representatives further noted that their progress in deploying and operating advanced networks depends in substantial part upon the availability of sustainable and predictable universal service support and intercarrier compensation mechanisms. To this end, they urged the Federal Communications Commission (the “Commission”) to take prompt action to adopt the universal service fund and intercarrier compensation reform plan (the “RLEC Plan”) that NTCA had previously submitted in cooperation with 35 other national, regional, and state rural telecom associations (including the SDTA) in these proceedings. *See* Comments of NTCA, *et al.* (filed April 18, 2011), at 7-38 and Attachments A and C; *see also Ex Parte* filing of NTCA (filed May 26, 2011). The South Dakota companies explained their belief that the RLEC Plan presented a workable path forward that would enable greater certainty and allow them to shift greater focus once again to serving consumers and investing in broadband-capable networks.

The Rural Representatives also highlighted, however, the delicate balance upon which these proposed reforms hang, emphasized the substantial compromises already made to accommodate the RLEC Plan within the “Consensus Framework,” and indicated that modifications made to the RLEC Plan – such as firm caps on funding adopted by rule, modified local service benchmarks or changes to the subscriber line charge elements included within the proposed access restructuring, and/or additional, untested constraints on investment or cost recovery beyond those already identified in the plan and the associated Consensus Framework – would place small carriers, the customers they serve, the lenders who enable such network deployment, and the very concept of universal service all at risk. The positions on these points were consistent with those expressed by NTCA in support of the RLEC Plan in its April 18, 2011 comments in the above-referenced proceedings, as well as those positions stated in the comments and reply comments filed in response to the Commission’s August 3, 2011 Public Notice. *See* Comments of NTCA, *et al.* (filed April 18, 2011), at 7-36, 61-74, and Appendices A and C; Comments of NTCA, *et al.* (filed August 24, 2011), at 21-32; Reply Comments of NTCA, *et al.* (filed Sept. 6, 2011), at 10-29. Finally, the SDTA shared a presentation (attached hereto) with each of Ms. McCarthy and Ms. Kronenberg describing the operations of its member companies and outlining the potential impacts of reforms such as those set forth in the Commission’s February 2011 Notice of Proposed Rulemaking in the above-referenced proceedings.

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS with your office. Copies of the materials provided in each meeting are being filed with this correspondence. If you have any questions, please do not hesitate to contact me at (703) 351-2016 or mromano@ntca.org.

Sincerely,

/s/ Michael R. Romano  
Michael R. Romano

Senior Vice President - Policy

Attachments

cc: Margaret McCarthy  
Angela Kronenberg