



January 13, 2012

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th 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 an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109; Universal Service Reform – Mobility Fund, WT Docket No. 10-208; Universal Contribution Methodology, WC Docket No. 06-122

Dear Ms. Dortch:

On Thursday, January 12, 2012, the undersigned, on behalf of the National Telecommunications Cooperative Association (“NTCA”), spoke via telephone with Michael Steffen, Legal Advisor to Chairman Julius Genachowski, to discuss matters relating to further reform of the federal universal service fund (“USF”) and intercarrier compensation (“ICC”) mechanisms, the persistent failures of calls destined for rural areas, and the need for the Federal Communications Commission (the “Commission”) to take prompt and effective action with respect to USF contributions reform.

With respect to further USF and ICC reform, NTCA suggests that the Commission should provide adequate time for service providers, lenders, investors, and consumers to adjust to the changes made in the Commission’s recent Order in several of the above-referenced proceedings. Rather than considering additional changes such as many of those identified in the Further Notice of Proposed Rulemaking in those dockets, NTCA encourages the FCC to revisit the need for such reforms after a reasonable period of time and further study of market developments and consumer impacts in the wake of the initial reforms. NTCA also continues to urge the Commission to ensure the advancement *and* sustainability of broadband-capable networks throughout rural America – both in unserved locations *and* in locations that may only be served by basic levels of DSL broadband today. NTCA suggested the Commission could help do so by providing a sufficient and predictable Connect America Fund for areas served by small rural local exchange carriers; NTCA pledged to continue to work with the Commission to develop new ideas for such a program consistent with the Communications Act of 1934, as amended, and the Chairman’s principles of reform.

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With respect to the continuing reports that calls are failing to reach consumers in rural America, NTCA expressed strong support for the Commission's efforts to examine such matters to date. Because this continues to present serious economic, public safety, and social challenges for consumers in rural America, however, NTCA asked the Commission to maintain its active leadership role, and to ensure that industry-based groups are viewed as only one component of a broader public policy initiative to tackle these consumer-affecting challenges. NTCA specifically cautioned that, rather than looking to the rural networks that calls are *not* reaching, the Commission, the industry, and consumers would all be better served by looking to the networks from where the calls originate to seek out the ultimate point(s) of failure along the call path. NTCA analogizes that searching on rural networks for the problems with calls *that never reach those networks* is tantamount to addressing leaks in the roof of a house by staring at the resulting puddles of water on a basement floor; one might never get around to fixing the actual source of the problem through such an approach.

Finally, NTCA urged the Commission to take prompt action to shore up the failing USF contributions mechanism by broadening the contribution base to include retail broadband Internet access revenues and non-interconnected VoIP revenues, as well as confirming that texting revenues are subject to USF contribution requirements. NTCA's advocacy in this regard was consistent with several other recent *ex parte* presentations in the several of the above-referenced proceedings. See, e.g., *Ex Parte* Letter from NTCA to Marlene Dortch, Secretary, FCC, WC Docket No. 10-90; GN Docket No. 09-51; WC Docket No. 07-135; WC Docket No. 05-337; WC Docket No. 06-122; CC Docket No. 96-45 (filed January 9, 2012).

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, 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

cc: Michael Steffen

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