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July 19, 2012

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; High-Cost Universal Service Support, WC Docket No. 05-337; Universal Service Contribution Methodology, WC Docket No. 06-122; A National Broadband Plan for Our Future, GN Docket No. 09-51; NCTA Petitions Regarding Section 652 of the Communications Act, WC Docket No. 11-118; Petitions for Waiver of FCC's Rules Regarding Access to Numbering Resources, CC Docket No. 99-200

Dear Ms. Dortch:

On July 17, 2012, on behalf of the National Cable & Telecommunications Association (NCTA), Steve Morris and I met with Nicholas Degani, Wireline Legal Advisor for Commissioner Pai, to discuss issues related to the above-captioned dockets. Specifically, we discussed the Commission's universal service high-cost reform efforts and applauded the adoption of much-needed constraints that will limit wasteful and inefficient spending. The Commission's new rules require that carriers be accountable for their use of high-cost funding and that they demonstrate their need for support above specified thresholds. We argued that the Commission should continue its efforts to eliminate wasteful expenditures by moving quickly to remove high-cost support from areas that are served by an unsubsidized competitor, and to ensure that universal service high-cost support is disbursed in a competitively and technologically neutral manner.

We also discussed our opposition to CenturyLink's petition for waiver of the Connect America Fund (CAF) Phase I incremental support rules. We reiterated NCTA's position that CenturyLink should not be allowed to use such support to overbuild existing broadband providers.¹ The Commission recently determined that the public interest would not be served by providing CAF Phase I incremental support in areas where broadband service currently exists

¹ Opposition of the National Cable & Telecommunications Association to CenturyLink's Petition for Limited Waiver of Certain High-Cost Universal Service Rules, WC Docket Nos. 10-90 and 05-337, 2-3 (July 12, 2012).

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and that creating a process to challenge data in the National Broadband Map would be time-consuming and would not allow funding and service to be provided quickly.²

In discussing universal service contributions, we noted that reform of the current system is necessary, but that the Commission should carefully consider the effect of any changes before moving forward. In particular, the Commission should ensure that its contribution reform efforts do not conflict with its goal of increasing broadband adoption, and should be mindful of the economic burden on consumers.

We also briefly discussed NCTA's pending petitions for declaratory ruling and forbearance from the cross-ownership restrictions in section 652 of the Communications Act for mergers between cable operators and competitive local exchange carriers.³ The Commission should act quickly to grant the requested relief.

Finally, we stated that the Commission should initiate a rulemaking to examine whether numbering resources should be directly available to all VoIP providers on an industry-wide basis, rather than acting on individual waiver petitions.

Respectfully submitted,

/s/ Jennifer K. McKee

Jennifer K. McKee

cc: N. Degani

² *Connect America Fund, et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, Second Order on Reconsideration, 27 FCC Rcd 4648, 4650, 4652-53, ¶¶ 7, 14-15 (2012) (*CAF Second Reconsideration Order*).

³ 47 U.S.C. § 572; NCTA Petition for Declaratory Ruling To Clarify 47 U.S.C. § 572 in the Context of Transactions between Competitive Local Exchange Carriers and Cable Operators, WC Docket No. 11-118 (June 21, 2011); Conditional Petition for Forbearance from Section 652 of the Communications Act for Transactions between Competitive Local Exchange Carriers and Cable Operators, WC Docket No. 11-118 (June 21, 2011).