



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The Voice of Rural Telecommunications

www.ntca.org

October 9, 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 a 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

Dear Ms. Dortch:

On Thursday, October 4, 2012, the undersigned, on behalf of the National Telecommunications Cooperative Association (“NTCA”) spoke via telephone with Nicholas Degani, Legal Advisor to Commissioner Ajit Pai, to discuss certain matters in the above-referenced proceedings.

NTCA discussed ongoing concerns relating to the transparency, accuracy, and predictability of regression analysis-based caps on universal service fund (“USF”) support. NTCA raised the need for the Federal Communications Commission (the “Commission”) to take both near-term and longer-term steps to address – and then test to ensure proper correction of – statistical and data-related shortcomings with respect to the caps consistent with the Application for Review filed by NTCA and other associations. *See* Application for Review of NTCA, *et al.*, WC Docket No. 10-90 (filed May 25, 2012). NTCA continues to assert that the Commission’s broadband policy objectives can only be achieved through: (1) clear and well-tested “business rules” that provide sufficient support and enable company managers to understand with a reasonable degree of certainty what investments and operations will be recoverable (or unrecoverable) through USF support prospectively; and (2) a careful data-driven process that takes measure of – and then corrects concerns with respect to – reforms just now being implemented before racing forward with additional changes that undermine the core objectives of universal service by exacerbating consumer rate increases, deterring broadband investment, and encouraging cutbacks in service quality and customer service.

NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

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Marlene H. Dortch

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Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President – Policy

cc: Nicholas Degani