



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The Voice of Rural Telecommunications

www.ntca.org

November 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, November 8, 2012, the undersigned, on behalf of the National Telecommunications Cooperative Association (“NTCA”), spoke via telephone with Michael Steffen, Legal Advisor to Chairman Julius Genachowski, and Julie Veach, Chief of the Wireline Competition Bureau, regarding the above-referenced proceedings.

In particular, NTCA expressed support for the Federal Communications Commission (the “Commission”) to: (1) extend the phase-in associated with the regression analysis caps pending further review of concerns raised by various pleadings in these proceedings; (2) add together the CAPEX and OPEX values of the caps for 2013 support calculations pending consideration of a single regression model; (3) promptly consider and adopt some means of addressing significant concerns about predictability in universal service fund (“USF”) support distribution and the ensuing difficulty of engaging in meaningful multi-year planning exercises in the face of annually-changing caps; (4) ensure that any near-term steps taken with respect to the model are carefully coordinated and subject to reasonable transitions in connection with needed broader review and testing of the model; and (5) conduct further testing and analysis over the next twelve months to identify potential alternatives for improving predictability specifically and the accuracy and transparency of the model generally.

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NTCA also continues to assert that the Commission's broadband policy objectives can only be achieved through: (a) 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 (b) a careful data-driven process that takes measure of – and then corrects concerns with respect to – reforms just now being implemented in lieu of racing forward with additional changes pursuant to a Further Notice of Proposed Rulemaking 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. In particular, it is essential from a public policy perspective to study first the effects of reforms just now being implemented on matters such as consumer rates for voice and broadband, service quality, broadband deployment, broadband adoption, and state universal service funds.

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: Michael Steffen
Julie Veach