



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The Voice of Rural Telecommunications

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November 19, 2012

Ex Parte Notice

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: *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 November 15, 2012, Dennis Law of Golden West Telecommunications and the undersigned (hereinafter, “the parties”) met with Christine Kurth of Commissioner Robert M. McDowell’s office to discuss the above-referenced proceedings.

In regard to the failure of calls to complete in rural service areas, Mr. Law described the increasing incidences experienced by his customers, including commercial users who have reported an inability to receive calls from clients and the consequent loss of accounts. In some instances, calling parties have received misleading automated messages stating that the called line is no longer in service, leading some to believe that the firm they were calling was no longer in business. These outcomes have damaged both the revenues and reputations of rural businesses, and should be remediated by the Commission through swift and meaningful enforcement of the *Declaratory Ruling*¹ issued earlier this year.

In regard to Universal Service and Connect America Fund proceedings, the parties discussed the difficulty of managing projected investment against the uncertainty engendered by the regression analysis. Mr. Law noted that many capital investments are plotted against a multi-year budget

¹ *Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Establishing Just and Reasonable Rates for Local Exchange Carriers, 07-135, Declaratory Ruling, DA 12-154 (2012).*

cycle, a process hindered by the annually-changing limits imposed by the regression analysis. The parties also discussed the need to ensure the accuracy of any data supporting the regression analysis, and urged the Commission to validate the data before implementing any process, and to then assess the outcomes of that process before implementing further reforms such as those considered in the pending *Further Notice of Proposed Rulemaking*.² In sum, the parties explained that business continuity relies in great measure upon predictability, a quality that has been undermined severely by the constantly-shifting cost recovery limits set forth in the *Transformation Order*. The uncertainty constrains the ability to obtain debt and, consequently, the ability to plan for and make further network investments.

Finally, the parties discussed Tribal Engagement, and Golden West's service to Native American lands. The parties discussed the need for guidelines that recognize the respective state and Federal obligations to which service providers are subject.

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/ Joshua Seidemann
Joshua Seidemann
Director of Policy

cc: Christine Kurth

² *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, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17756-17758, paras. 248-252 (2011) (variously, *Further Notice of Proposed Rulemaking* and *Transformation Order*).