



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

*The Voice of Rural Telecommunications*

www.ntca.org

January 4, 2013

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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, January 3, 2013, the undersigned, on behalf of the National Telecommunications Cooperative Association (“NTCA”) spoke via telephone with Nicholas Degani, Wireline Legal Advisor to Commissioner Ajit Pai, to discuss certain matters in the above-referenced proceedings.

NTCA raised the need for the Federal Communications Commission (the “Commission”) to take both near-term and longer-term steps to address statistical and data-related shortcomings with respect to the regression analysis-based caps on universal service fund (“USF”) support. *See* Application for Review of NTCA, *et al.*, WC Docket No. 10-90 (filed May 25, 2012). Specifically, NTCA pressed for near-term resolution of certain concerns with respect to such caps consistent with prior presentations, *see, e.g., Ex Parte* Letter from Michael R. Romano, Sr. Vice President – Policy, NTCA, to Marlene H. Dortch, Secretary, WC Docket No. 10-90, *et al.* (filed Oct. 18, 2012), and also raised the need for review, testing, and resolution of broader concerns with respect to the persistent lack of transparency, accuracy, and predictability within the capping mechanisms.

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As a more general matter, NTCA continues to assert that the Commission's broadband policy objectives and the statutory mandate of universal service 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, as the case may be) through USF support prospectively; and (2) a careful data-driven process that takes true and thoughtful measure of – and then corrects concerns with respect to – those reforms just now being implemented (including, but not limited to, the caps) before racing forward with additional changes that exacerbate already-occurring consumer rate increases, deter broadband investment, and encourage cutbacks in service quality and customer service.

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