



November 20, 2015

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**RE: WC Docket No. 10-90, Connect America Fund**

Dear Ms. Dortch:

On Wednesday, November 18, 2015, the undersigned on behalf of NTCA—The Rural Broadband Association (“NTCA”) along with John Greene, Chief Executive Officer of New Lisbon Telephone Co., Inc. (“NLTC”) in New Lisbon, Indiana met with Alex Minard, Deputy Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau and Heidi Lankau, Attorney Advisor, also with the Telecommunications Access Policy Division. The parties discussed the Rural Broadband Experiments and how the Commission could improve certain aspects of its competitive bidding rules to ensure greater rural carrier participation in the Connect America Fund (“CAF”) Phase II reverse auction proceedings.

Mr. Greene discussed NLTC’s experience as a Rural Broadband Experiment High-Cost support recipient<sup>1</sup> and the company’s experience in providing competitive service to rural consumers left unserved by larger carriers in the state of Indiana. More specifically, he stated that the Letter of Credit (“LoC”) requirements established in the Rural Broadband Experiments proceeding—a requirement to obtain LoCs from “top 100 banks”—was overly burdensome and impractical, if not impossible for many small carriers. While respectful and supportive of the Commission’s duty to protect the integrity of universal service dollars by ensuring that only financially sound entities receive support, Mr. Greene noted that the Commission must also acknowledge that there are many highly reputable, reliable, independent community banks, credit unions, and other financial institutions that can provide a sound level of backing for small rural carriers without being in the “top 100.” Mr. Greene urged the Commission to keep such in mind with respect to the CAF Phase II competitive bidding process.

In addition, Mr. Greene discussed NLTC’s difficult and resource intensive route to obtaining status as a competitive local exchange carrier in the state of Indiana. Mr. Greene noted that

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<sup>1</sup> Wireline Competition Bureau Announces Entities Provisionally Selected for Rural Broadband Experiments; Sets Deadlines for Submission of Additional Information, Public Notice, WC Docket No. 10-90, DA 14-1772 (rel. Dec. 5, 2014).

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NLTC is eager to extend the company's reach to additional unserved rural consumers, yet its efforts can be hampered by lengthy processes and negotiations that may dissuade many small rural carriers from participating in the CAF Phase II competitive bidding process.

With respect to CAF Phase II, Mr. Greene discussed the process for areas left unserved after the term of commitment ends for carriers electing to accept model-based CAF II support or for ongoing support that will be made available via competitive bidding after such commitment period ends. Specifically, Mr. Greene stated that the process used in the Rural Broadband Experiments that compared bidders' requested support amounts to the amount of model-based support identified by the Connect America Cost Model may be unfeasible for CAF Phase II. Choosing support recipients in such a manner may fail to provide carriers with sufficient support necessary to extend broadband service in what will likely be some of the nation's costliest-to-serve rural areas. Mr. Greene urged the Commission to adopt a method to provide sufficient support to carriers willing to extend service to these consumers.

Finally, Mr. Greene noted his interest in working with electric cooperatives in the state of Indiana in partnerships designed to leverage the experience and expertise that each type of company can bring to the table in terms of extending broadband to additional rural consumers. Mr. Greene discussed his efforts to reach out to the electric providers in his service area, including a proposed data center that would be built in partnership with a local electric cooperative. Mr. Greene noted that this could serve as a model for a collaborative teleco/electric cooperative approach to improving broadband deployment.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

/s/ Brian Ford  
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cc: Alex Minard  
Heidi Lankau