June 5, 2019

***Ex Parte* Notice**

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

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

Dear Ms. Dortch:

On Monday, June 3, 2019, the undersigned, on behalf of NTCA-The Rural Broadband Association ("NTCA"), and the undersigned met with Alexander Minard, Nissa Laughner, Gilbert Smith, and Suzanne Yelen of the Wireline Competition Bureau (the "Bureau") to discuss several matters related to identification and reporting of locations where voice and broadband services are made available for purposes of compliance with deployment obligations.

First, NTCA discussed the logistics whereby recipients of cost-based universal service fund ("USF") support can demonstrate compliance with deployment obligations to the extent that they were capable of delivering 25/3 Mbps broadband to all or substantially all of the locations in their service area prior to May 25, 2016 (the date the Federal Communications Commission (the "Commission") has set as a benchmark for determining compliance with deployment obligations). NTCA encouraged the Bureau to provide further guidance as to how providers can show that they are delivering robust and reliable voice and broadband services to consumers consistent with applicable buildout duties despite having done so prior to any obligations arising.

Next, NTCA requested near-term confirmation and clarification of the process whereby recipients of USF support can identify to the Commission a possible discrepancy in the locations that can be found in eligible areas subject to deployment obligations, such that providers can obtain reduced support to the extent that fewer locations are identified without threat or overhang of further penalty. *See Connect America Fund*, *et al*., WC Docket No. 10-90, *et al*., Report & Order, Order & Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3103 (2016) ("*2016 Order*"), at ¶ 34.

Finally, NTCA discussed how business locations in rural areas should be counted for purposes of compliance with deployment obligations. In particular, NTCA observed that, where businesses operate out of separate structures on the same property as a residence (such as agricultural production facilities), there should be no question that those businesses are appropriately counted as separate locations under existing rules. NTCA further expressed support for the kind of clarification sought recently in a petition filed by several carriers regarding the specific status of "home-based businesses" that do share a structure with a residence. *See* Petition for Declaratory Ruling or Clarification of Northeast Iowa Telephone Company and Western Iowa Telephone Association, WC Docket No. 10-90 (filed May 6, 2019). Specifically, NTCA noted that there is no requirement in relevant orders or rules that any given location have separate equipment or facilities and actually subscribe to service in order for that location to be counted for purposes of deployment obligations. *See, e.g., Wireline Competition Bureau Reminds Connect America Phase II Model-Based Support Recipients of Upcoming Interim Deadlines*, WC Docket No. 10-90, Public Notice, DA 17-701 (rel. July 20, 2017), at fn 1 (citing to 47 C.F.R. § 54.310(c) and *2016 Order*, 31 FCC Rcd at 3133); *Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding Their Broadband Location Reporting Obligations*, WC Docket No. 10-90, Public Notice, DA 16-1363 (rel. Dec. 8, 2016)*; 2016 Order*, 31 FCC Rcd at 3165.

Thus, to clarify all of these points, NTCA suggested that the Bureau simply direct the Universal Service Administrative Company ("USAC") to modify its "Frequently Asked Questions" as shown in the attachment hereto, and that USAC be instructed to determine compliance with applicable buildout obligations consistent with the modifications outlined therein. NTCA submitted that the approach outlined in the attachment would best balance the need for accurate identification of business locations in rural America with the existing rules as written with respect to how locations will be identified.

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.

Sincerely,

/s/ *Michael R. Romano*
Michael R. Romano
Senior Vice President –
Industry Affairs & Business Development

Attachment

cc: Alexander Minard
Nissa Laughner
Gilbert Smith
Suzanne Yelen

RECOMMENDED CHANGE TO HUBB FAQ AND GUIDANCE TO USAC

Q. How should a carrier report deployment at a residence that also has a home-based business within the same structure?

A. A carrier receives credit for and must report ~~the house~~ as a served location a residence at which broadband is available, regardless of whether the ~~house~~ resident subscribes to the service. A carrier likewise receives credit for and must report as a served location a business at which broadband is available, regardless of whether the business subscribes to the service.

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For a carrier to count as a separate location a business ~~run out of a house or a business run out of a barn, shed or other structure on the property,~~ that shares a physical structure with a residence and thereby count the residence and home-based business in that same structure as two separate units (and thus two separate locations) for reporting and deployment milestone purposes, the carrier must validate the existence of the home-based business based upon sources of business information where available (e.g., a governmental agency registration or other indications of business activity) and provide such information to USAC upon request~~there must be separate facilities (drop/line) and separate equipment (e.g., modem) and the business must separately subscribe (get its own bill) to at least the minimum speed required~~. See DA-16- 1363 WCB Guidance on Location Reporting for Carriers Receiving CAF Support.

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NTCA–The Rural Broadband Association
4121 Wilson Boulevard, Suite 1000, Arlington, Virginia 22203
(703) 351-2000 (Tel) ● (703) 351-2001 (Fax)