



May 7, 2020

VIA ECFS

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 Wednesday, May 6, 2020, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) held separate telephone conversations with Preston Wise, rural broadband advisor to Chairman Ajit Pai, and Suzanne Yelen, Assistant Division Chief of the Telecommunications Access Policy Division in the Wireline Competition Bureau.

In each of these conversations, I expressed concerns about the impacts of a resurgent budget control mechanism on rural local exchange carriers receiving cost-based Connect America Fund–Broadband Loop Support and/or High Cost Loop Support. Specifically, as required by the rules of the Federal Communications Commission (the “Commission”), the Universal Service Administrative Company published an estimate of the revised budget control mechanism on May 1; this estimate, which will take effect on July 1, will result in the reduction of tens of millions of dollars of universal service support over the following twelve months for several hundred of the smallest operators in the country serving some of the most rural parts of the United States. I explained that such support reductions were particularly harmful at a time when these companies and cooperatives are making every effort to keep their rural communities connected and their own operations running in the face of a national emergency, and I therefore requested that the effectiveness of the budget control be suspended for the pendency of the COVID-19 national emergency.

In addition, I noted that NTCA had raised concerns previously with respect to the potential for growth and volatility in the budget control mechanism despite the much-needed and much-welcomed efforts of the Commission to reform this mechanism under Chairman Pai’s leadership in 2018. I urged the Commission to act upon the still-pending rulemaking related to those issues consistent with NTCA’s prior recommendations, so that the same concerns would not arise on a recurring basis over the next several years in advance of an anticipated program budget review. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed July 11, 2019).

Marlene H. Dortch

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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

NTCA–The Rural Broadband Association

cc: Preston Wise  
Suzanne Yelen