



April 12, 2022

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

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

Dear Ms. Dortch:

On Monday, April 11, 2022, Jonathan West of Twin Lakes Telephone Cooperative, Catherine Moyer of Pioneer Communications, Denny Law of Golden West Telecommunications, and the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) spoke with Marco Peraza, wireline advisor to Commissioner Nathan Simington, regarding matters in the above-referenced proceeding.

During this conversation, we expressed concerns about the impacts of the resurgent budget control mechanism on rural operators receiving cost-based Connect America Fund Broadband Loop Support (“CAF-BLS”) and/or High Cost Loop Support (“HCLS”). While the Federal Communications Commission (the “Commission”) indicated in 2018 that it expected the budget for these programs to be “stable and sufficient” pending further review in 2024, it has become clear in recent years that a mix of increased investment and greater customer adoption of standalone broadband services has led to demand for support in excess of what was projected four years ago. *See Connect America Fund, et al., WC Docket No. 10-90, et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, 33 FCC Rcd 11893 (2018) (“2018 Reform Order”), at 11923, ¶ 97.* NTCA expressed gratitude for the Commission’s waiver of the budget control mechanism last year and urged the grant of such a waiver again this year on the same grounds.

At the same time, however, NTCA suggested that these recurring budget control issues should prompt a more comprehensive review and resolution in addition to being addressed in the near-term through another waiver. NTCA further observed that it would be prudent and advisable for the Commission to undertake such a holistic approach now, given that service level commitments set in 2018 will come due next year and there will be a need to reset such commitments moving forward. *See 2018 Reform Order, 33 FCC Rcd at 11927, ¶ 110.* In particular, if the Commission will need to establish new obligations next year – and NTCA expressed support for revising the obligations to better meet current consumer expectations as to quality broadband speeds – we observed that it should initiate that process now and do so in conjunction with a review of the budget to determine whether and to what degree it will be sufficient to achieve such obligations as reset.

Finally, NTCA expressed support for the Commission to proceed forward promptly with a rulemaking on extension and enhancement of Alternative Connect America Cost Model (“ACAM”) support. *See* ACAM Broadband Coalition, Petition for Expedited Rulemaking, RM No. 11868 (filed Oct. 30, 2020). Such support is essential for providers to continue to advance and then to sustain higher-speed broadband services in some of the most rural parts of the country. We highlighted that many of the issues that would need to be teed up in such a rulemaking – the budget for such support, the service level commitments that will be expected of ACAM recipients, the milestones for delivery of such services, and identification of the areas in which such support will be needed – mirror those that need to be considered for CAF-BLS/HCLS recipients. Further, NTCA explained that it believes that the Commission, consumers, and support recipients alike would all benefit from closer alignment between the ACAM and CAF-BLS/HCLS programs in terms of what levels of service will be delivered and the milestones and timeframes for doing so.

For these reasons, in encouraging that a rulemaking be opened to consider enhancement and extension of ACAM support, NTCA urged the Commission in such a rulemaking to ask a simple set of specific questions in order to: (1) address the issues flagged by the Commission in 2018 as needing to be revisited soon within the CAF-BLS and HCLS mechanisms (and which current events have indicated are in need of revisiting in short order); and (2) ensure proper coordination and thoughtful consideration of whether any decisions made with respect to ACAM reform could have precedential impact on the CAF-BLS and HCLS mechanisms as well:

- *What should the new service level commitments for recipients of CAF-BLS/HCLS support be given the current commitments set in 2018 will be satisfied by the end of next year?*
- *What budget should be set for CAF-BLS/HCLS to achieve and sustain the new service level commitments the Commission establishes, and how can that budget be established and managed in a manner that promotes efficiency in the performance of such obligations and delivery of reasonably comparable services at reasonably comparable rates while also addressing the uncertainty and instability in the budget control mechanism that has become apparent in recent years?*
- *How can the Commission better align the ACAM and CAF-BLS/HCLS programs such that service level commitments for recipients of such support more closely resemble, if not match, each other, so that consumers in the areas served by such providers and the Commission itself can have a simplified and consistent set of expectations as to performance levels and the timing for delivery of such services?*

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 Romano

Michael Romano

Senior Vice President –

Industry Affairs and Business Development

cc: Marco Peraza