



April 4, 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 Friday, April 1, 2022, the undersigned, on behalf of NTCA–The Rural Broadband Association (“NTCA”), spoke with Suzanne Yelen of the Wireline Competition Bureau regarding matters in the above-referenced proceeding.

During this conversation, I expressed concerns about the impacts of the resurgent budget control mechanism on rural operators receiving cost-based Connect America Fund Broadband Loop Support and/or High Cost Loop Support. While the precise impacts of the budget control will not be identified and announced until May 1 (to take effect on July 1), NTCA projects that this mechanism will reduce significantly over the next twelve-month period the universal service fund (“USF”) support to be received by several hundred small rural companies and cooperatives that are currently making every effort to get and keep Americans connected.

The application of such drastic cuts to much-needed USF support at a time when providers are investing at an increased pace to connect more Americans, upgrading and maintaining existing networks to keep pace with consumer needs and demands, and attempting to keep rates more affordable in rural areas would be particularly discordant with the current broader national imperative to promote broadband availability and affordability. I therefore requested that Federal Communications Commission (the “Commission”) waive the effectiveness of the budget control mechanism, observing that such near-term relief would be consistent with the action taken by the Commission last year and the reasoning for granting a similar waiver with respect to the current twelve-month support period. *See Connect America Fund, WC Docket No. 10-90, Order* (rel. June 3, 2021), at ¶ 7 (“Telecommunications companies, including legacy companies serving some of the most rural areas of the country, may be subject to increased costs to provide safe working conditions, maintain existing services, and meet the demands of new customers. Granting a waiver here is also consistent with relief the Commission provided in other contexts in acknowledgment of the unprecedented challenges raised by the pandemic to carriers and consumers.”)

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I further noted the need for the Commission to consider as soon as possible longer-term measures to address such recurring issues and questions related to these USF programs, highlighting that the Commission itself expressly indicated in 2018 that the budget and performance obligations of the program would need to be readdressed within the next few years:

By fully funding A-CAM, the Alaska Plan, and CAF ICC, and adopting a legacy budget that annually adjusts for inflation, we expect that rate-of-return carriers will have stable and sufficient budgets for at least the next five years. Although we do not expect to review the budget prior to 2024, it may be appropriate to revisit the budget at the end of five years to reevaluate whether any changes to the budget are appropriate. . . .

To be consistent with CAF BLS deployment obligations being based on a five-year term, the deployment term will run from the effective date of this Report and Order until December 31, 2023.

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, 11923 and 11927-27 (2018), at ¶¶ 97 and 110. In light of the recurring budget control cuts that are larger than were anticipated by the Commission in 2018, NTCA indicated that starting now a more comprehensive review of budgetary issues and service level commitments as contemplated in the 2018 order *in addition to* providing immediate relief from the budget control for the reasons stated above is appropriate and necessary.

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: Suzanne Yelen