February 8, 2016

***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 Friday, February 5, 2016, the undersigned on behalf of NTCA–The Rural Broadband Association ("NTCA"), together with Jonathan Banks and Lynn Follansbee of USTelecom, met with Stephanie Weiner, legal advisor to Chairman Tom Wheeler; Rebekah Goodheart, legal advisor to Commissioner Mignon Clyburn; Amy Bender, legal advisor for Commissioner Michael O'Rielly; and Carol Mattey, Deputy Chief of the Wireline Competition Bureau. Our conversations addressed potential buildout obligations that would apply to use of future projected universal service fund support.

During that conversation, the parties raised questions about how individual carrier buildout obligations would be designed, and in particular how a carrier's costs to deploy at least 10/1 broadband to additional locations in its study area might be identified. We discussed various options, and in this follow-up letter, NTCA and USTelecom propose the following structure as a proxy for identifying such costs on a per-loop basis. Specifically, for such purposes, NTCA and USTelecom propose a given rate-of-return-regulated rural local exchange carrier ("RLEC") should be allowed to choose on a voluntary basis from among the following simple alternatives: (1) the average cost per loop of all RLECs with comparable density levels that have at least 10/1 broadband deployed to more than 95% of the locations they serve; (2) at least 150% of that specific RLEC's current actual cost per loop, reflecting the fact that the RLEC likely has deployed to date to the lower-cost locations in its serving area and that the locations left to be reached with broadband are higher cost in nature, which will result in a higher cost per loop once those additional locations are served;[1] or (3) the cost per loop reflected for that RLEC in the final version of the Alternative Connect America Cost Model. Finally, NTCA and USTelecom continue to examine other means of ensuring a reasonable estimate of cost for RLECs to deploy to unserved locations and hope to provide other ideas to the Federal Communications Commission (the "Commission") as they are identified.

[1] The 150% figure may need to be increased further by a factor to the extent that the RLEC can show that its remaining locations to be served are of materially higher cost than those currently served by the RLEC.

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 – Policy

cc: Stephanie Weiner
Rebekah Goodheart
Amy Bender
Carol Mattey