



February 10, 2014

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; High-Cost Universal Service Support, WC Docket No. 05-337; AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition; Petition of NTCA for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution, GN Docket No. 12-353; Technology Transitions Policy Task Force, GN Docket No. 13-5*

Dear Ms. Dortch:

On Friday, February 7, 2014, the undersigned, on behalf of NTCA–The Rural Broadband Association (“NTCA”), met with Daniel Alvarez, Legal Advisor to Chairman Thomas Wheeler to discuss matters in the above-referenced proceedings.

Specifically, NTCA discussed how its members and other rate-of-return-regulated rural local exchange carriers (“RLECs”) might participate in any “service-based trials” given the progress they have already made in deploying IP-enabled networks to offer both quality, reliable voice services and at least basic levels of broadband service under existing laws and rules to consumers and businesses in rural areas. *See Ex Parte* Letter of Michael R. Romano, Senior Vice President-Policy, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission (the “Commission”), WC Docket No. 10-90, *et al.* (filed Jan. 13, 2014) (noting that many NTCA members and other rural carriers “are at this point ‘all-IP’ within their networks, but that careful management of the networks – including continuing dedication to operating effectively as a carrier of last resort in terms of the quality of service delivered to consumers – is essential to ensuring that the benefits of this IP evolution in fact flow to consumers”). NTCA expressed its eagerness to help provide the Commission with an understanding of how differing means of service delivery and differentiated product and service offerings can affect rural consumers and/or entice such consumers to adopt new services.

NTCA also discussed the ongoing need for a new CAF program tailored for RLECs to help sustain and promote technological evolution for the benefit of all rural consumers. NTCA first raised this concept as a key component of its “IP Evolution” petition in November 2012, and since then has worked with its rural telecom partners to provide the Commission and staff with the tools and data needed to understand the new CAF proposal through numerous meetings and filings. The association is eager to continue productive conversations regarding the development of a CAF program that: (1) is tailored for smaller company operations; (2) recognizes the unique challenges associated with being a small network operator serving only rural areas; and (3) does not require complex rule changes, unpredictable shifts, or wholesale disruptions in universal service distribution. Although discussions regarding alternative voluntary methods of support may be of interest and will be useful as well, NTCA noted that such voluntary alternatives will likely take significant time to develop and test – leaving consumers in RLEC-served areas unable in the interim to participate fully in the “IP evolution” because affordable and sustainable broadband access in such areas remains tethered to continued purchase of traditional telephone service. We are therefore hopeful that, in light of its clear commitment to promoting and sustaining technological evolution as evidenced by its recent order, the Commission will move quickly to implement this CAF proposal to help fulfill that vision for *all* rural consumers.

Finally, NTCA raised the question of how to establish reasonable and sufficient “budgets” in connection with fulfillment of statutory universal service missions. In particular, NTCA asserted that, even if the Commission is aiming for a certain “budget target” for high-cost universal service support through 2017 pursuant to reforms made in 2011, it should look to its own precedent with respect to managing any “budgets” or “targets” within other universal service programs and should, at a minimum, consider adjustments generally over time to reflect the effects of inflation on deployment of networks and delivery of services. *See, e.g., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6 *A National Broadband Plan for Our Future*, GN Docket No. 09-51, Sixth Report and Order (rel. Sept. 28, 2010), at ¶¶ 34-40.

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: Daniel Alvarez