



March 6, 2017

***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 Thursday, March 2, 2017, Shirley Bloomfield, Chief Executive Office of NTCA–The Rural Broadband Association (“NTCA”) and the undersigned met with Commissioner Mignon Clyburn and her legal advisor, Claude Aiken, regarding matters in the above-referenced proceeding.

NTCA first raised concerns about the insufficiency of the high-cost universal service fund (“USF”) budgets, which is resulting in fewer locations being reached with better broadband and rates for broadband that are materially higher than those paid by urban Americans. We observed how the USF budget shortfalls are undermining achievement of the goals of universal service articulated by the statute, as well as other important public policy objectives. NTCA therefore urged the Federal Communications Commission (the “Commission”) to provide sufficient support consistent with the association’s prior filings. *See, e.g.*, Comments of NTCA, WC Docket No. 10-90 (filed Feb. 13, 2017); Petition for Reconsideration and/or Clarification of NTCA, WC Docket No. 10-90, *et al.* (filed May 25, 2016) (“NTCA 2016 Petition”), at 2-11.

NTCA further expressed the urgency of action by with respect to two key outstanding USF reform issues: (1) the need for a technical correction to or clarification of the Capital Investment Allowance adopted in last year’s reforms; and (2) the continuing adverse effects upon consumers arising out of application of the “rate floor” policy. NTCA’s advocacy with respect to each issue was consistent with prior filings. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed Feb. 3, 2017); NTCA 2016 Petition, WC Docket No. 10-90, *et al.* (filed May 25, 2016), at 22-23 (highlighting the potentially drastic consequences for operators to the extent that investment exceeds the cap established by the allowance and the chilling effect such an interpretation would have on broadband infrastructure investment); Petition for Reconsideration of NTCA, *et al.*, WC Docket No. 10-90 (filed Aug. 4, 2014), at 10-11 (asking the Commission to review the methodology by which the rate floor is set and to “consider staying implementation of additional phase-in steps mandated by the Order pending full consideration of alternative rate floor calculation options in the context of a reconsideration proceeding or, if necessary, a further rulemaking proceeding.”)

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

cc: Commissioner Mignon Clyburn  
Claude Aiken