



March 13, 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 Friday, March 10, 2017, the undersigned, on behalf of NTCA–The Rural Broadband Association (“NTCA”), met with Amy Bender, legal advisor to Commissioner Michael O’Rielly, regarding matters in the above-referenced proceeding.

The conversation was a follow-on to several recent prior discussions regarding the continuing adverse effects upon consumers arising out of application of the “rate floor” policy. *See Ex Parte* Letters from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission (the “Commission”), WC Docket No. 10-90 (filed Feb. 3, 2017; February 23, 2017; March 6, 2017). Consistent with those prior discussions, NTCA urged the Commission again to act promptly upon prior filings to address concerns with respect to the rate floor. *See, e.g.*, Application for Review of NTCA, *et al.*, WC Docket No. 10-90 (filed Jan. 21, 2015); 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.”) NTCA noted that the rate floor policy yields no benefits with respect to managing universal service fund budgets, but at this point – after several years of serial rate increases – is only harmful and disruptive to rural consumers, especially given that the lack of affordable standalone broadband services makes it more difficult for those same rural consumers to cease purchasing voice service even as it becomes increasingly expensive. NTCA therefore observed that an immediate pause to any further rate floor increase would only help rural consumers and afford the Commission reasonable time to consider on a more informed basis any next steps with respect to the policy.

Consistent with prior discussions, NTCA also raised again the need for prompt action with respect to clarifications of or corrections to certain aspects of the capital expense limits previously adopted by the Commission. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed February 28, 2017).

Marlene H. Dortch

March 13, 2017

Page 2 of 2

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: Amy Bender