



November 6, 2015

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St, SW  
Washington DC 20554

**RE: Connect America Fund, WC Docket No. 10-90; ETC Annual Reports and Certifications, WC Docket No. 14-58**

Dear Ms. Dortch:

NTCA–The Rural Broadband Association represents hundreds of small telecommunications companies with long track records of providing advanced services in the nation’s most sparsely-populated, difficult-to-serve areas. Serving as both incumbents and competitors depending upon the market, small, rural carriers are able to undertake, complete, and maintain highly capital-intensive projects in part because of the presence of the National Rural Utilities Cooperative Finance Corporation (“CFC”) and its affiliate, the Rural Telephone Finance Cooperative (“RTFC”). RTFC offers its members affordable financing that plays a key role alongside United States Department of Agriculture (USDA) Rural Utilities Service loans and Universal Service support in deploying and then sustaining networks in areas where telecom service would otherwise be unsustainable.

If NTCA’s members were required to only accept financing from Top 100, FDIC-insured banks, the increased cost of capital would hinder network deployment and upgrades and the consumer would ultimately suffer – and that looks past the fact that many NTCA members, given their size and the densities and distances of the markets they serve, may have trouble obtaining financing at all from such institutions in the first instance. Eligibility rules for providing letters of credit (LOCs) for Federal Communications Commission (FCC) programs, if limited to such financial institutions, would have a similar effect. CFC and RTFC do not accept deposits and cannot be FDIC insured, and therefore would not be eligible to issue LOCs in spite of a strong credit history and long-standing relationship with USDA and the Federal Financing Bank.

The rural broadband experiments and Connect America Fund were designed to promote rural broadband deployment, but misdesigned, overly restrictive LOC rules that exclude proven rural

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lenders like CFC and RTFC would either hinder participation in these programs by increasing costs for the companies with the most experience operating in rural areas or preclude participation by many small rural providers altogether.

To stimulate broad participation in FCC programs across carriers of all sizes and thereby encourage network deployment and consumer access to the greatest extent possible, NTCA strongly supports the request of CFC and RTFC for inclusion as an eligible provider of LOCs for FCC programs. This request is in keeping with NTCA's January 23, 2015 letter as well as the position of other organizations that represent small entities dedicated to serving rural America.

Thank you for your consideration of this important matter.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano  
Senior Vice President – Policy