



December 22, 2015

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; ETC Annual Reports and Certifications, WC Docket No. 14-58*

Dear Ms. Dortch:

On Tuesday, December 22, 2015, the undersigned and Brian Ford, Senior Regulatory Counsel, spoke via telephone on behalf of NTCA–The Rural Broadband Association (“NTCA”) with Alexander Minard and Heidi Lankau from the Wireline Competition Bureau to discuss matters in the above-referenced proceedings.

We first discussed the scope of any potential immediate action by the Federal Communications Commission (the “Commission”) with respect to Connect America Fund (“CAF”) Phase II competitive bidding processes. Consistent with prior advocacy, NTCA urged the Commission to promote long-term efficiency in the use of universal service fund (“USF”) resources by enabling the deployment and ongoing operation of “future-proof” technologies rather than aiming for interim, arbitrary broadband speed standards that may be outpaced by consumer demand soon or sometime within the foreseeable life of the network being supported. *See Ex Parte* Letter from Michael R. Romano, Senior Vice President-Policy, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed July 23, 2015); *see also Ex Parte* Letter from C. Douglas Jarrett, Counsel to the National Rural Electric Cooperative Association, to Marlene H. Dortch, Secretary, Commission, WC Docket Nos. 10-90 and 14-58 (filed Dec. 17, 2015). By contrast, NTCA notes that other network technologies that require substantial upgrades to keep pace with consumer demand and/or that provide limited functionalities will not represent as efficient or effective investments from a USF perspective. *See Ex Parte* Letters from Michael R. Romano, Senior Vice President-Policy, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket Nos. 10-90 and 05-337 (filed Nov. 7, 2013 and March 10, 2015) (attaching technical white papers examining the capabilities and limitations of various types of network deployments in delivering reliable, reasonably comparable voice and broadband services at reasonably comparable rates, particularly over time and in response to increasing consumer demand).

NTCA next discussed several steps that could help ensure reasonable accountability in the use of USF resources under a CAF Phase II competitive bidding program. First, NTCA noted that all potential participants in such a program must not only be eligible telecommunications carriers prior to receipt of support (if not at the time bids are placed), but they must also offer not just broadband but also standalone voice telephony services at reasonably comparable rates. Even as it is important that rural consumers obtain access to broadband services that are reasonably comparable in price and quality to those available in urban areas, it is equally important from a public policy (and public safety) perspective and as a matter of law that consumers continue to have access to quality, reliable voice services at affordable rates.

Second, NTCA encouraged the Commission to ensure that the list of financial institutions that might be considered eligible providers of letters of credit in connection with CAF Phase II competitive bidding will not be limited to large national and global banks with whom few, if any, smaller providers that operate in rural America have any experience or prior relationship. Keeping the list of qualified institutions so narrow could curtail participation in CAF Phase II by those network operators with both the most proven track record in deploying rural broadband and familiarity with local market conditions. NTCA committed to provide recommendations to the Commission on how such a list could be expanded while still providing continuing assurance of accountability.

Third, NTCA reaffirmed its strong support for specifically and expressly having the National Rural Utilities Cooperative Finance Corporation and its affiliate, the Rural Telephone Finance Cooperative (“RTFC”), identified as eligible providers of any letters of credit that may be required in connection with CAF Phase II competitive bidding. As described in prior filings, RTFC has the financial wherewithal and experience to provide such letters of credit, and RTFC plays an important role in providing affordable financing to NTCA members and other smaller providers with firm roots in rural America for the deployment and sustainability of networks in such areas. *See Ex Parte* Letter from Michael R. Romano, Senior Vice President-Policy, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed Nov. 6, 2015).

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: Alexander Minard
Heidi Lankau