



May 26, 2020

VIA ECFS

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, May 22, 2020, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) spoke via telephone with Preston Wise, rural broadband advisor to Chairman Ajit Pai.

During this conversation, I expressed concerns about the impacts of the resurgent budget control mechanism on rural local exchange carriers receiving cost-based Connect America Fund–Broadband Loop Support and/or High Cost Loop Support. Although the Universal Service Administrative Company published a revised estimate of the 2020-2021 budget control mechanism on May 7 that recalculated the impact of the budget control from 5.3% to 3.0%, this mechanism will nonetheless reduce by nearly \$40 million over the next twelve-month period the amount of universal service support to be received by several hundred small rural companies and cooperatives that are currently making every effort to keep Americans connected and to keep their networks running in the face of a national emergency. I therefore renewed NTCA’s request that the effectiveness of the budget control be suspended for the pendency of the COVID-19 national emergency. While we recognize the importance of managing demand on the universal service fund, these funds would go to sustain essential operations at a time when smaller providers are facing unprecedented challenges and customer uncollectibles are on the rise.

In addition, I reiterated concerns with respect to the potential for growth and volatility in the budget control mechanism despite the much-needed and much-welcomed efforts of the Federal Communications Commission (the “Commission”) to reform this mechanism under Chairman Pai’s leadership in 2018. While recognizing the need for a focus on time-sensitive matters related to the immediate crisis, I once again urged the Commission to act at some point in the future upon the still-pending rulemaking related to those issues consistent with NTCA’s prior recommendations, so that the same concerns would not arise on a recurring basis over the next several years in advance of an anticipated program budget review. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed July 11, 2019).

Marlene H. Dortch

May 26, 2020

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

NTCA–The Rural Broadband Association

cc: Preston Wise