



September 19, 2014

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; Universal Service Reform – Mobility Fund, WT Docket No. 10-208; ETC Annual Reports and Certification, WC Docket No. 14-58; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184*

Dear Ms. Dortch:

On Wednesday, September 17, 2014, the undersigned, on behalf of NTCA–The Rural Broadband Association (“NTCA”), spoke via telephone with Patrick Halley from the office of Chairman Tom Wheeler to discuss matters in the above-referenced proceedings.

During the conversation, I discussed updates to the existing high-cost rules for areas served by rural, rate-of-return-regulated local exchange carriers consistent with comments recently filed by NTCA and other rural telecom stakeholders (the “Rural Associations”). *See* Comments of NTCA, *et al.*, WC Docket No. 10-90, *et al.* (filed Aug. 8, 2014), at 6-28 and 34-60. NTCA highlighted in particular the updated proposals of the Rural Associations in those comments in direct response to the objectives of reform outlined by the Federal Communications Commission (the “Commission”) in paragraphs 267 to 269 of its most Further Notice of Proposed Rulemaking in the above-referenced dockets. *Connect America Fund, WC Docket No. 10-90, et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54 (rel. June 10, 2014).

NTCA noted that the record following reply comments indicated broad support for proceeding to adopt the proposals, and that no party appeared to raise any opposition to the proposals in their replies. Moreover, NTCA observed that any questions or concerns by others raised with respect to the proposals in initial comments (specifically “budget” questions, a process to address unsubsidized competition issues, and the need to develop a voluntary alternative support distribution path for interested carriers) were specifically addressed in the initial comments of the Rural Associations. NTCA therefore urged the Commission to review the detailed recommendations and responses as cited above, and to move forward as soon as possible with a well-constructed transition away from legacy support mechanisms to a simple and straightforward new mechanism focused on supporting broadband-capable networks in high-cost areas served by smaller carriers.

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In the same conversation, NTCA raised questions surrounding the Commission's revised definitions of "urban" and "rural" areas in the context of E-rate modernization, and raised concerns that the implications of changes to these definitions were unclear and might therefore have serious and presumably unintended adverse impacts on the ability of rural schools and libraries to procure much-needed communications services.

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: Patrick Halley