

**Before the
Federal Communications Commission
Washington, D.C. 20554**

Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Rural Broadband Experiments)	WC Docket No. 14-259

**REPLY OF NTCA–THE RURAL BROADBAND ASSOCIATION
REGARDING EMERGENCY PETITION FOR
LIMITED WAIVER OF RURAL BROADBAND EXPERIMENT
LETTER OF CREDIT REQUIREMENT**

NTCA–The Rural Broadband Association (“NTCA”) hereby submits its reply with respect to its Emergency Petition, as filed on February 3, 2015, seeking a limited waiver on behalf of its members and similarly situated entities of the requirement that recipients of Rural Broadband Experiment (“RBE”) support obtain a letter of credit (“LoC”) from a “top 100” bank.¹

Upon review of the record in the above-referenced proceedings, it appears that no party opposes NTCA’s Petition. Instead, one party has filed in support,² and the record otherwise indicates that a great deal of both concern and confusion continues to swirl around the LoC requirements imposed in connection with the RBEs.³ As NTCA’s petition explained, the requirement to obtain LoCs from “top 100” banks is overly burdensome and impractical, if not impossible. For smaller firms obtaining relatively smaller awards, obtaining a LoC from a big

¹ *Connect America Fund*, WC Docket No. 10-90, *ETC Annual Reports and Certifications*, WC Docket No. 14-58, Report and Order and Further Notice of Proposed Rulemaking (rel. July 14, 2014), at ¶¶ 54-61.

² Comments of Computer 5, Inc., WC Docket Nos. 10-90 and 14-259 (filed Feb. 20, 2015).

³ *See, e.g.*, National Rural Utilities Cooperative Finance Corporation (“CFC”) and the Rural Telephone Finance Cooperative (“RTFC”), WC Docket Nos. 10-90 and 14-58 (filed Jan. 21, 2015); Alliance of Rural Broadband Applicants (“Alliance”) Petition for Waiver, WC Docket Nos. 10-90 and 14-58 (filed Jan. 27, 2015); Alliance Reply Comments, WC Docket Nos. 10-90 and 14-58 (filed Feb. 13, 2015).

bank may be cost-prohibitive and deter carriers from seeking any support at all. As small businesses that typically have few, if any, pre-existing relationships of any significance with “top 100” commercial banking institutions, tying the availability of universal service support to credit from only the biggest of banks is effectively a bar to participation in the RBEs for locally-owned and locally-operated entities that are best positioned to deliver on the promise of universal service.

Grant of the narrow relief sought in NTCA’s Petition would not undermine integrity in the use of universal service fund resources. Indeed, NTCA has consistently urged the Commission to take much better account of long-term, demonstrated performance – a “track record” – in terms of network investment and customer service in rural, high-cost areas by those obtaining universal service support. But with respect specifically to credit matters, there are many reliable independent community banks, credit unions, and other financial institutions that can provide assurance to the Federal Communications Commission (the “Commission”) without being a national bank.

For the reasons stated in NTCA’s Petition and in light of the complete lack of opposition to the relief requested, the Commission should grant the limited waiver sought by NTCA.

Respectfully Submitted,



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