



Advocates for Rural Broadband

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Executive Vice President

April 29, 2022

Filed Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

RE: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On Wednesday, April 27, 2022, Mark Gailey of Totah Communications (Oklahoma and Kansas) and Derrick Owens and Gerry Duffy representing WTA – Advocates for Rural Broadband (“WTA”) met via Zoom conference call with Suzanne Yelen and Jesse Jackman of the Wireline Competition Bureau to discuss the status of the Budget Control Mechanism (“BCM”) and other issues affecting the future Connect America Fund – Broadband Loop Support (“CAF-BLS”) and High-Cost Loop Support (“HCLS”) mechanisms relied upon by approximately 53 percent of WTA’s rural local exchange carrier (“RLEC”) members.

WTA noted that the BCM is presently scheduled to go back into effect as of July 1 of this year, and that it is expected to reduce the CAF-BLS/HCLS support of recipients by approximately 12-to-15 percent. This constitutes losses of between a quarter and a half million dollars a year for many smaller RLECs and losses that approach or exceed a million dollars a year for many larger RLECs. Support reductions of this magnitude impair the ability of these small companies to extend and upgrade their broadband networks, repay loans, maintain service quality and retain their staffs as well as create pressures for rate increases.

WTA seeks immediate relief in the form of the extension of the current waiver of the BCM for at least the approaching July 1, 2022-June 30, 2023 tariff year. It asks for an early ruling in order to simplify the scheduled June 2022 annual access tariff filings, as well as to facilitate other essential planning activities by affected RLECs.

On a longer-term basis, WTA stated its support for the ACAM Broadband Coalition petition for rulemaking, but indicated that Commission review of the evolving service level commitments and budget for CAF-BLS/HCLS recipients was also needed within the same or similar time frame. WTA is well aware of the future influx of construction grant money from the recently appropriated National Telecommunications and Information Administration (“NTIA”), Rural Utilities Service (“RUS”) and U.S. Department of Treasury (Treasury”) programs, and of the concerns regarding duplicative funding and overbuilding. Early delineation of the continuing role of existing or revised CAF-BLS and HCLS mechanisms in the extension and upgrade of RLEC broadband networks, as well as in the sustaining support of above-average operating expenses in high-cost areas, will better enable the Commission to

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work with NTIA, RUS, Treasury and the states in closing or substantially reducing the Digital Divide in an effective, efficient and economic manner. WTA has been participating with other stakeholders in the development of proposals for the improvement of CAF-BLS, HCLS and other mechanisms in order to better achieve broadband deployment, upgrade, affordability and sustainability goals.

WTA is filing this letter for inclusion in the public record of the referenced proceeding.

Respectfully submitted,
WTA – Advocates for Rural Broadband

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