

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92

**COMMENTS OF
NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–The Rural Broadband Association (“NTCA”)¹ hereby submits these Comments in response to the Public Notice released June 30, 2017 in the above-captioned proceedings.² The Public Notice seeks comment on a Petition filed by Great Plains Communications (“Petitioner”)³ for waiver of certain parts of Sections 51.909 and 51.919 of the Commission’s rules with respect to the determination of the petitioners’ access charges and calculation of eligible recovery.

More specifically, in the Petition, Great Plains asserts that without grant of the requested waivers, the company will experience a 150 percent increase in its switched access rates (amounting to \$2.8 million annually) and thereby eliminate its ability to obtain recovery of such

¹ NTCA represents approximately 850 independent, community-based telecommunications companies and cooperatives and more than 400 other firms that support or are themselves engaged in the provision of communications services in the most rural portions of America. All NTCA service provider members are full service rural local exchange carriers (“RLECs”) and broadband providers, and many provide fixed and mobile wireless, video, satellite and other competitive services in rural America as well.

² *Wireline Competition Bureau Seeks Comment on Petition for Waiver from Great Plains Communications*, WC Docket No. 10-90 and CC Docket No. 01-92, DA 17-640, Public Notice (rel. June 30, 2017).

³ Petition of Great Plains Communications for Waiver of 47 C.F.R. § 51.909(a)(4)(ii)(A) and 47 C.F.R. § 51.919(b) (filed June 21, 2017) (“Petition”).

amounts via Connect America Fund-Intercarrier Compensation (“CAF-ICC”) support instead. Petitioner raises concerns that such an increase in its access rates could harm consumers by leading to rural call completion issues, as well as increased retail rates for the petitioner’s own long distance customers to whom such higher access charges would almost certainly be passed through via underlying carriers.⁴

NTCA does not take any position with respect to the Petition itself, which highlights certain of the follow-on impacts and concerns of the Commission’s comprehensive reforms. To be sure, NTCA does not suggest that comprehensive reform can ever be undertaken without impacts. However, the budget constraints of the current program create narrow margins that limit abilities and available options as companies absorb those impacts. Accordingly, NTCA comments to implore the Commission to ensure that, as it considers the policy questions and any possible relief in response to the Petition, the implications for other carriers that receive high-cost universal service fund (“USF”) support under a budget that is shared with CAF-ICC support must be taken into account. In particular, if the Petition were granted, it would appear to necessitate reducing support under a fixed budget for actual cost recovery mechanisms (High-Cost Loop Support (“HCLS”) and CAF-Broadband Loop Support (“CAF-BLS”)) to accommodate the resulting change in CAF-ICC support. These two actual cost recovery programs are already subject to a 12.4% budget control, on average, which translates to a reduction of \$173 million in support for 600-plus study areas.⁵

⁴ *Id.* at 6.

⁵ This reduction in USF support does not apply to the Petitioner and other carriers that elected Alternative Connect America Model (“A-CAM”) support.

Although an additional \$2.8 million “haircut” may appear relatively minor, this would increase the budget control and stack a further cut atop already sizeable reductions in support. And, of greater interest, it is essential to consider the potential for requests for relief from carriers similarly situated to the Petitioner; if other carriers in circumstances similar to the Petitioner were to seek similar relief, this could result in a material increase in CAF-ICC support. If this were to occur, the budget control mechanism could swell, causing carriers to lose tens of millions of dollars atop the already painful \$173 million they are currently forgoing due to an insufficient budget. Preparation and public release of data with respect to the potential for such impacts are therefore warranted to inform discussion and decision-making here.

To be clear, if the Commission were to fulfill its statutory mandate and provide sufficient USF support as required by law, this Petition – and the prospect of others like it – would be of little to no concern in this regard. Specifically, if the Commission were to fill the substantial (and growing) shortfall in support that is already cutting the actual cost recovery mechanisms (High-Cost Loop Support and CAF-Broadband Loop Support) by 12.4% (and also fund the outstanding balance of the A-CAM offers), *then* any additional resources should certainly be considered to provide additional CAF-ICC support in circumstances such as these. But in the absence of the kind of sufficient support that is required by law, it is essential that the Commission take into account the implications of any decisions it may make on the already artificially low high-cost USF support that is being used by RLECs to build out and sustain broadband networks in rural America.

Respectfully submitted,

NTCA–The Rural Broadband Association

By: /s/ Michael R. Romano

Michael R. Romano

Senior Vice President – Industry Affairs
& Business Development

4121 Wilson Blvd, Suite 1000

Arlington, VA 22203

(703) 351-2016 (Tel)

mromano@ntca.org

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