

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

In the Matter of)
)
) WC Docket No. 20-71
)
Eliminating *Ex Ante* Pricing Regulation and)
Tariffing of Telephone Access Charges)

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

NTCA–The Rural Broadband Association (“NTCA”)¹ hereby submits these reply comments pursuant to the Public Notice released on June 11, 2025 by the Wireline Competition Bureau in the above-captioned proceeding.² The comments filed thus far reflect consistent appreciation for the interest of the Federal Communications Commission (the “Commission”) in relieving burdens on providers and promoting consumer interests. But the comments also reflect unanimous sentiment that mandatory detariffing of subscriber line charges (“SLCs”) and access recovery charges (“ARCs”) would do little to advance these objectives – and that, to the contrary, mandatory detariffing of these charges would instead increase regulatory uncertainty and create new burdens and confusion for providers and consumers alike.

¹ NTCA represents approximately 850 community-based companies and cooperatives that provide advanced communications services in rural America and more than 400 other firms that support or are themselves engaged in the provision of such services. In the context of offering services subject to this proceeding, many NTCA members are incumbent local exchange carriers (“ILECs”) and rural telephone companies as defined in the Communications Act of 1934, as amended (the “Act”), and are referred to herein as “rural local exchange carriers” or “RLECs.”

² *Parties Asked to Refresh the Record on Telephone Access Charges Notice of Proposed Rulemaking*, WC Docket No. 20-71, Public Notice (rel. June 11, 2025) (“Public Notice”); *see also Eliminating Ex Ante Pricing Regulation and Tariffing of Telephone Access Charges*, WC Docket No. 20-71, Notice of Proposed Rulemaking, 35 FCC Rcd 3165 (2020).

In its initial comments, NTCA expressed strong support for Chairman Carr’s efforts to promote thoughtful deregulation and elimination of unnecessary and outdated rules, pointing to copper transitions, pole attachment streamlining, and other aspects of the Build America Agenda as examples of policies worthy of pursuit.³ As NTCA noted, however, a measured approach to such efforts is important, as the Commission should avoid “throwing good rules out after bad.”⁴ Especially for smaller providers making capital investments, maintaining networks, and delivering services in high-cost rural markets, regulatory stability and certainty are essential to sustainability, and the implications of regulatory changes must be considered in the context of broader public policy objectives such as universal service.

Against this backdrop, NTCA urged the Commission to weigh carefully the costs and benefits of this proposed regulatory shift. Mandatory detariffing would have negative impacts upon carriers and consumers alike. For example, NTCA estimated that RLECs are slated to recover nearly \$185 million in revenues from SLCs and ARCs during the current annual tariff cycle. The risk of disruption to this revenue and the customer confusion resulting from mandatory detariffing could be significant; either providers would need to look to alternative intrastate methods of revenue recovery that may be practically unavailable, or they would need to explain to customers that “we have eliminated this charge over here, but created this new charge over here because of interstate deregulation.”⁵ Meanwhile, as NTCA explained, replacing this well-known and well-understood framework with such a transition would yield no discernable benefits. Indeed, as discussed further below, the entire industry subject to the regulations in question

³ Comments of NTCA, WC Docket No. 20-71 (filed Aug. 6, 2025), at 2.

⁴ *Id.* at 8.

⁵ *Id.* at 3-6.

opposes eliminating them as a mandate, nor have consumers in the marketplace clamored for such changes. In this light, it is readily apparent that the anticipated costs of mandatory detariffing would exceed any benefits to be gained from such a policy.⁶

Four other parties responded to the Public Notice, and their arguments correspond with those raised by NTCA.⁷ For example, even as USTelecom-The Broadband Association (“USTelecom”) expresses strong support generally for deregulatory measures, it observes that SLCs and ARCs “continue to represent an important means of recovering the costs associated with managing aging copper lines used for POTS.”⁸ USTelecom highlights too the costs and universal service implications of mandatory detariffing, noting that many carriers may encounter legal and practical barriers to recovering these revenues and invoking the customer confusion that would follow from attempting to explain why a new interstate charge is replacing a similar charge already on the bill.⁹ Indeed, USTelecom takes its arguments a step further in urging that even just permissive detariffing should *only* focus upon mass market residential customers to start, and that decisions on applying such a regime to the enterprise market should be deferred or more carefully

⁶ See also *id.* at n. 9 (discussing the need for a rigorous cost-benefit analysis that includes estimates of the costs that would be incurred by carriers to implement these changes through state proceedings, system changes, customer notifications, and follow-up interactions – as well as the potential for loss of revenues as a result for small businesses operating in rural areas).

⁷ It is worth noting that the mid-sized carriers who previously suggested an alternative for a deregulated interstate line item did *not* submit further information regarding this proposal despite it having been specifically called out for additional consideration in the Public Notice; instead the record reflects that entities representing nearly all ILECs (and other carriers as well) share common concern with respect to mandatory detariffing of any kind.

⁸ Comments of USTelecom, WC Docket No. 20-71 (filed Aug. 6, 2025), at 2. NTCA further observes that SLCs and ARCs may play an even more important role in helping to recover the costs of more advanced network investment in deeply rural markets. Many RLECs have far outpaced larger operators to date by investing heavily in fiber deployment, and the prospect of disruption to some or all of the revenues currently received through SLCs and ARCs could fundamentally undermine the business plans that helped to justify those investments in the first place and the sustainability of those networks.

⁹ *Id.* at 3.

structured still.¹⁰ Consistent with its calls above and in earlier comments for thoughtful deregulation, NTCA concurs with such a tailored approach to permissive detariffing.

Other commenters similarly flag how the costs and confusion resulting from mandatory detariffing would outweigh any alleged benefits. WTA-Advocates for Rural Broadband (“WTA”), for example, cites the same estimated levels of RLEC SLC and ARC revenue that could be subject to disruption through such a policy shift, and likewise highlights that “SLCs and ARCs do not produce significant, much less high, regulatory costs.”¹¹ Addressing perceived benefits, WTA notes that, while there may be some generalized concern about wireline and wireless telecommunications billing, there is “no perceptible customer dissatisfaction or complaints regarding the SLC and/or the ARC.”¹² Moreover, the Concerned Rural LECs aptly point out that providers today can combine these charges and/or lower them all the way to \$0.00 in tariffs if customer confusion or competition warrant¹³ – meaning that the existing rules *already* enable effective market-based responses where deemed necessary. Like NTCA, the Concerned Rural LECs express concerns as well about the implications of changes here on universal service contributions, estimating variances in contribution levels for multiple states.¹⁴ Finally, concerns with respect to mandatory detariffing are not limited to representatives of ILECs. The comments filed by INCOMPAS assert that such a mandate would, among other things, destabilize long-

¹⁰ *Id.* at 3-4.

¹¹ Comments of WTA, WC Docket No. 20-71 (filed Aug. 6, 2025), at 4-6.

¹² *Id.* at 4-5.

¹³ Comments of the Concerned Rural LECs, WC Docket No. 20-71 (filed Aug. 6, 2025), at 4

¹⁴ *Id.* at Table 1.

standing pricing structures and place a disproportionate burden on smaller carriers in managing billing system changes and compliance across multiple state jurisdictions.¹⁵

The record is clear that the costs of – and the regulatory uncertainty and confusion that would be caused by – mandatory detariffing far outweigh any alleged benefits of adopting such a policy. This does not mean, however, that deregulation is unwarranted; it should simply be tailored thoughtfully. To this end, the comments largely support targeted deregulation in the form of permissive detariffing, focused especially upon mass market residential customers to start. Consistent with this record, NTCA urges the Commission to permit providers to detariff SLCs and ARCs voluntarily as they deem appropriate based upon a locally-driven reading of market conditions including consumer demand, competition, and the benefits of greater operational flexibility.

Respectfully submitted,

/s/ Michael R. Romano

Michael R. Romano
Executive Vice President
NTCA—The Rural Broadband Association
4121 Wilson Blvd, 10th Floor
Arlington, VA 22203
(703) 351-2016
mromano@ntca.org

Dated: August 21, 2025

¹⁵ Comments of INCOMPAS, WC Docket No. 20-71 (filed Aug. 6, 2025), at 4-5.