

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

In the Matter of)	
)	
Price Cap Business Data Services)	WC Docket No. 21-17
)	
Regulation of Business Data Services for Rate- of-Return Local Exchange Carriers)	WC Docket No. 17-144
)	

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

NTCA–The Rural Broadband Association (“NTCA”) submits this reply in response to comments filed on the Notice of Proposed Rulemaking adopted by the Federal Communications Commission (“Commission”) in the above-captioned proceeding considering the elimination of rate regulation and tariffing obligations for business data services (“BDS”) provided by incumbent local exchange carriers.¹

The record reflects overwhelming consensus from across a broad swath of stakeholders that comprehensive mandatory regulatory changes as contemplated in the NPRM would be disruptive, rather than conducive, to competition and technological evolution. Although commenters – including NTCA – very much welcome the Commission’s interest in prompting a coordinated transition to Internet Protocol (“IP”) networks, there is clear consensus that the BDS marketplace is evolving of its own accord such that unraveling the rules governing the provision of such services now is unnecessary. Instead, as NTCA and many other commenters suggest, the Commission should consider certain surgical deregulatory measures that will sustain regulatory certainty, prompt market-based migration toward incentive regulation, promote universal service, and promote the ongoing IP transition in an orderly manner.

¹ *In re Price Cap Business Data Services*, Notice of Proposed Rulemaking, WC Docket Nos. 21-17, 17-144, FCC 25-44 (rel. Aug. 8, 2025) (“NPRM”).

Nine sets of comments (including NTCA) were filed in response to the NPRM, representing interests including small rural providers subject to BDS regulations and tariffing requirements, larger operators that deliver BDS services, and other network owners that provide services in competition with BDS and/or procure BDS services for certain applications and uses (such as interconnection and 911 connectivity). While the comments generally lauded the Commission generally for its interest in promoting greater regulatory flexibility, all but one commenter urged the Commission to avoid enactment of sweeping measures that could have the unintended effect of undermining, rather than enhancing, regulatory certainty and the desired marketplace transitions. And, even that remaining commenter provided no insights into the market itself or specific justification for action here, instead merely speaking from high-level preference for deregulation – which, as the other parties filing in this proceeding explained, can be achieved through a more direct focus on coordinating the IP transition and turning to market-driven mechanisms for deregulation.

NTCA concurs, for example, with the observation of NCTA-The Internet & Television Association (“NCTA”) that adopting the changes proposed in the NPRM “would be ill-advised and could exacerbate the problems providers currently are experiencing in connection with the transition.”² INCOMPAS likewise noted that it would be far more effective for the Commission to focus its efforts first on establishing a “holistic IP interconnection framework” than on eliminating rules for services used today for interconnection.³ Even as NTCA members have led the charge in rural America and made remarkable progress in evolving to IP-enabled networks,⁴ NTCA has previously highlighted how Time Division Multiplexing (“TDM”) services still play a

² Comments of NCTA, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 3.

³ Comments of INCOMPAS, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 13.

⁴ Comments of NTCA, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 5.

critical role at least for now in interconnecting provider networks and connecting to public safety.⁵ Like NCTA and INCOMPAS – and even as NTCA will likely disagree in part with these parties as to precisely what future regulatory frameworks should look like – NTCA encourages the Commission to adopt a dedicated focus upon developing next-generation “rules of the road” for IP interconnection rather than dismantling existing rules for services that should become far less relevant once the IP interconnection pathway is clearer. By analogy, the priority should be to define the construction blueprint for and then to ensure the new house is “move-in ready” before engaging in demolition of the existing structure.

Multiple commenters echoed NTCA’s concerns about the potential disruption that would follow from sweeping deregulation and detariffing, with some specifically highlighting risks to public safety and emergency communications infrastructure.⁶ These observations reinforce NTCA’s argument that mandatory detariffing would undermine universal service obligations – both for routine-but-important communications and interconnections and also for the critical public safety infrastructure that depends on stable, affordable BDS connections. Rural public safety answering points and healthcare facilities that rely on these circuits for 911 trunking and emergency communications cannot absorb the rate instability that would follow from eliminating pooling mechanisms. The record thus confirms that maintaining the existing framework is

⁵ *See id.* at 16; *see also* Reply Comments of NTCA, WC Docket No. 25-209, *et al.* (filed Nov. 18, 2025), at 5-6.

⁶ Comments of USTelecom-The Broadband Association (“USTelecom”), WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 2 (“Detariffing would be particularly problematic for public sector users of BDS services, which currently rely on legacy BDS services to fulfill critical public safety needs, such as 911 and air traffic control services.”); Comments of the Center for Regulatory Freedom of the Conservative Political Action Coalition Foundation (“CRF”), WC Docket No. 21-17 (filed Nov. 18, 2025), at 2 (“Yet modernization must be guided by prudence as well as ambition. Where essential services— particularly public safety and 911—continue to depend upon TDM circuits, the Commission must ensure continuity and coordination, not by indefinitely preserving outdated technologies, but by guaranteeing that no American community loses reliable access as the transition accelerates.”)

essential not only for the economic reasons that NTCA initially identified but also for preserving the emergency communications upon which rural communities depend.

A number of commenters joined NTCA in supporting instead more targeted deregulatory measures that would confer greater flexibility upon providers to respond to local market conditions. USTelecom, for example, made clear that mandatory detariffing and abrupt changes in policy “could cause disruption and introduce instability, instead of facilitating” continued investment and progress toward technology transitions.⁷ Several commenters highlighted how mandatory detariffing could devastate smaller providers’ ability to achieve some modicum of “scope and scale” and rate stability through pooling arrangements.⁸ In light of such concerns, most commenters joined NTCA in calling for voluntary market-driven windows for incentive regulation election informed by facts on the ground and individual investment cycles.⁹

A single commenter, the CRF, urged the Commission to take more far-reaching action, supporting the end of all tariffing and *ex ante* regulation of TDM-based BDS services in competitive areas and for all non-critical applications.¹⁰ Importantly, however, CRF did not speak to how potential reforms should identify competitive markets differently than the tests in place today, nor did CRF offer any specific evidence to connect the notion that detariffing and deregulation would spur technological transitions as a logical consequence. Indeed, the record thus far is clear that *the opposite is true* – that the rural markets where the greatest levels of

⁷ Comments of USTelecom, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 1-2.

⁸ *See, e.g.*, Comments of John Staurulakis, LLC (“JSI”), WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 4; Comments of the Concerned Rural LECs, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 6-8; Comments of WTA-Advocates for Rural Broadband, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 2-3.

⁹ *See, e.g.*, Comments of Vantage Point Solutions, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 5 and 7; Comments of the Concerned Rural LECs, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 8-10; Comments of JSI, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 6.

¹⁰ Comments of CRF, WC Docket No. 21-17 (filed Nov. 18, 2025), at 3.

investment in advanced technologies have occurred are those where BDS regulations have applied.¹¹ Moreover, as noted above, providers of all kinds, whether competitors or incumbents, agree that the Commission's time would be far better spent focusing directly on IP transition issues rather than pulling threads on rules that apply to an increasingly smaller set of legacy services. At the very least, absent a more developed roadmap than the superficial call for action articulated by CRF, the record does not support unwinding existing BDS mechanisms and instead points toward targeted development of a framework to govern IP evolution.

Given the role of BDS in promoting and sustaining network investment in rural markets by smaller operators, and in light of the clear consensus in the record of this proceeding, the Commission should pursue deregulation through the provision of greater voluntary opportunities driven and informed by market conditions. The Commission should then turn its focus to developing light-touch, common-sense rules of the road for interconnection in IP that can in turn reduce the need for reliance on TDM-based services and spur the achievement of next-generation connectivity on an end-to-end basis across networks.

Respectfully submitted,

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

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¹¹ See Comments of NTCA, WC Docket No. 21-17, *et al.* (filed Nov. 18, 2025), at 5-6 (providing data on the relative availability of higher-capacity services in areas served by rural providers subject to BDS regulation as compared to those under other regulatory frameworks).