

Nicholas G. Alexander
Associate General Counsel, Federal Affairs
Nick.Alexander@centurylink.com

February 8, 2018

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Assessment and Collection of Regulatory Fees for FY 2017, MD Docket No. 17-134

Dear Ms. Dortch

On February 6, 2018, I met with Nick Degani and Nirali Patel of the Chairman's office to discuss the Commission's proposals to revise the regulatory fee methodology for satellite and terrestrial IBCs.¹

Consistent with CenturyLink's advocacy in this proceeding, we discussed that it will be difficult for any carrier to identify appropriate breakpoints for a multi-tier system because carriers are only able to view their own data, and that it will be difficult for the Commission to identify appropriate break points for FY 2018 given that this will be the first year that carriers file both common carrier and non-common carrier circuits.

As part of this discussion, I agreed that the Commission could continue to assess regulatory fees in this category on a per-circuit basis for FY 2018 in order to facilitate the identification of appropriate breakpoints in FY 2019. I noted, however, that CenturyLink's proposal for a two-tier system eliminates the need to identify break points beyond one for "entry level" or "de minimis" providers, which can be done with the Commission's existing historical data. This would allow the Commission to resolve this issue in the most expeditious and appropriate manner. As CenturyLink has argued previously, the number of satellite or terrestrial IBCs a provider has in service has no particular impact on the benefits that provider receives from the Commission's activities or on the Commission's costs. A two-tier system is therefore sufficient to ensure that the satellite and terrestrial IBC regulatory fees do not serve as a barrier to entry for smaller providers while ensuring that larger providers pay a fair and equitable portion of the fee category.

Sincerely,

/s/ Nicholas G. Alexander
Nicholas G. Alexander

Cc: Nick Degani

¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, MD Docket No. 17-134, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 7057, 7075, paras. 47-48 (2017).

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Nirali Patel
Thomas Buckley
Roland Helvajian
Mika Savir
David Krech
Kimberly Cook
Veronica Garcia-Ullea