

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Wireless Telecommunications Bureau)	WT Docket No. 21-195
Seeks Comment on the Impact of the)	
Global Semiconductor Shortage on the)	
U.S. Communications Sector)	

COMMENTS OF COMPETITIVE CARRIERS ASSOCIATION

Competitive Carriers Association (“CCA”)¹ respectfully submits these comments regarding the Federal Communications Commission’s (“FCC” or “Commission”) Public Notice seeking input on “the impact of semiconductor supply chain constraints and other supply chain challenges on the communications sector.”² CCA offers these comments on behalf of its members to inform the Commission’s assessment of whether the “global semiconductor shortage [has] spread to the communications sector” and of the “impacts on lead times and costs of communications equipment and devices.”³

CCA appreciates the Commission’s efforts to learn more about supply chain challenges in the telecommunications industry and the potential impact of semiconductor shortages. Many CCA members have recently reported challenges sourcing devices—particularly handsets, but

¹ CCA is the nation’s leading association for competitive wireless providers and stakeholders across the United States. Members range from small, rural carriers serving fewer than 5,000 customers to regional and nationwide providers serving millions of customers, as well as vendors and suppliers that provide products and services throughout the wireless communications ecosystem.

² *Wireless Telecommunications Bureau Seeks Comment on the Impact of the Global Semiconductor Shortage on the U.S. Communications Sector*, Public Notice, DA 21-550, WT Docket No. 21-195 (rel. May 11, 2021) (“*Public Notice*”).

³ *Id.* at 3.

also other wireless networking equipment. In particular, carriers report that some manufacturers are providing unusually long lead times for devices, and some carriers report that they have been unable to source particular devices at all. While CCA does not yet know whether these delays will impact upcoming deadlines and important Commission priorities, including the “rip and replace” Reimbursement Program, CCA urges the Commission to be aware of the potential cascading impacts of these supply chain delays if they continue or worsen.

CCA’s members have reported that the impact of the shortages is uneven and varies from supplier to supplier. Some original equipment manufacturers appear well-stocked and offer delivery in a timely manner, consistent with usual business expectations. Other major suppliers, however, are unable to fill entire orders or have communicated lengthy lead times of up to a year for fulfilling purchase orders. At least one large supplier has informed CCA members and presumably other customers that it is unlikely to be able to fill all orders forecast for the year. In some instances, the situation is less extreme (though still disruptive for service providers), as suppliers can offer some devices but not others, or devices that are available are simply more expensive. As a result, carriers have been unable to assemble the particular mix of devices that they want and are looking to offer their customers, and have had to adjust their offerings due to unfilled purchase orders.

These equipment delays are not always attributed to a single cause. Some of the delays and shortages for devices likely are related to the global semiconductor shortage. But other factors may also be contributing to the delays and uneven availability of devices. CCA members report concerns over the impact of shipping delays, container shortages, and raw materials shortages. In addition, COVID-19-related challenges continue to ripple throughout the industry and the global supply chain. It remains unclear to what degree the shortages are solely

attributable to semiconductor shortages, as opposed to a broader array of challenges of which semiconductor constraints is one piece.

These shortages are directly impacting CCA members. Several members report significant challenges sourcing devices for sale to consumers. Higher prices and a smaller selection have led to decreased device sales and are requiring creative solutions. One CCA member historically has designed promotions for consumers and then sourced products to meet the promotion, but recently has needed to source whatever devices the carrier can find in light of the scarcity, including potentially less-desirable products, and then designed promotions around whatever is available.

CCA members are committed to serving their communities and will continue to work creatively to adapt to the market. As the Commission collects information on the global semiconductor shortage and these other factors, however, CCA urges it not only to consider proactive remedial steps, but also to be mindful of how the shortages may impact upcoming deadlines, including the requirement to replace covered network equipment from certain Chinese suppliers, particularly if the shortages worsen. The longer these shortages last, the less capacity service providers—particularly smaller and regional carriers—will have to absorb the impacts and continue moving forward with other important priorities.

CCA also believes that the Commission can play an important role within the broader federal government to highlight the impact of these shortages on the telecommunications supply chain. Semiconductor shortages already are impacting multiple industries across the economy. The Commission should leverage its expertise and its voice within the government to ensure that critical communications services are appropriately prioritized in the face of scarcity.

CCA appreciates the Commission's issuance of the Public Notice to collect perspectives from across the communications industry on these important issues.

Respectfully submitted,

/s/ Alexi Maltas _____

Alexi Maltas, SVP & General Counsel
Alexandra Mays, Policy Counsel
Competitive Carriers Association
601 New Jersey Avenue NW
Suite 820
Washington, DC 20001
(202) 747-0711

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