

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Assessment and Collection of Regulatory)	MD Docket No. 18-175
Fees for Fiscal Year 2018)	

REPLY COMMENTS OF CENTURYLINK¹

CenturyLink by these reply comments takes the opportunity to respond to the advocacy of the Satellite Industry Association (SIA) on the international bearer circuit (IBC) regulatory fee methodology.

As an initial matter, SIA’s argument that, because “there are no Commission activities reasonably related to the provision of IBCs by satellite operators, the FCC should eliminate the regulatory fee applicable to satellite IBCs”² is equally applicable to IBCs provisioned over terrestrial and submarine cable facilities. For this reason, there is no basis for excusing only satellite providers of IBCs from the obligation to pay a reasonable proportion of the regulatory fees associated with the work of the International Bureau.

SIA is correct that the Commission overstates the reduction in administrative burden that would result from the adoption of a “multi-tier” (*i.e.*, greater than two) rate structure.³ Providers will be required to track the number of IBCs they have in service so long as there is another tier for them to trigger in the rate structure. Put another way, the only providers that will save on

¹ This filing is made on behalf of CenturyLink, Inc.’s regulated affiliates that pay regulatory fees.

² Comments of the Satellite Industry Association, MD Docket No. 18-175, at 3 (filed June 21, 2018) (SIA Comments).

³ See SIA Comments at 4-5 (citing *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*, Report and Order and Notice of Proposed Rulemaking, MD Docket No. 18-175, FCC 18-65, ¶ 25 (rel. May 22, 2018)).

administrative effort and expense are those in the highest tier, who do not need to determine the number of IBCs to report—no matter how many tiers there are. For that reason, a two-tier structure reduces the administrative burden to the lowest level possible, short of simply charging every IBC provider an equal share of the fee category, while ensuring that IBC regulatory fees do not serve as a barrier to entry for smaller providers.

Moreover, because the number of satellite or terrestrial IBCs a provider has in service has no particular relationship to the Commission’s costs or the benefits the provider receives, a two-tier system best ensures that larger providers all pay a fair and reasonable portion of the fee category.⁴ A many-tiered rate structure, on the other hand, will unreasonably impose higher fees on those providers with more IBCs, who neither receive more benefits from Commission activity nor impose greater costs on the Commission than those in lower fee categories.

Finally, SIA’s assertion that any changes to the IBC fee mechanism that results in an increase in fees for satellite providers would be “unjustified” and “arbitrary and capricious”⁵ is incorrect. As CenturyLink pointed out in its comments, the Commission has and continues to under-collect from satellite space station and earth station regulatees, resulting in overcollection from submarine cable operators and providers with terrestrial IBCs.⁶ An increase in the fees paid by satellite providers, whether under a two-tier system or via a separate fee allocation for providers with satellite IBCs,⁷ or through other modifications to the regulatory fee framework, is

⁴ While CenturyLink does not have access to the data necessary to identify an appropriate threshold for the lowest fee category in a two-tier or multi-tier rate structure, it is clearly not appropriate to design a tier structure to exempt satellite providers from the obligation to pay a reasonable share of fees. *See* SIA Comments at 5.

⁵ SIA Comments at 4.

⁶ CenturyLink Comments at 3-4.

⁷ *Id.*

not only justified but mandated by the Act, which requires that fees be “reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”⁸

Respectfully submitted,

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⁸ 47 U.S.C. § 159(b)(1)(A).