Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92

OPPOSITION OF THE
SOUTH DAKOTA TELECOMMUNICATIONS ASSOCIATION

The South Dakota Telecommunications Association (SDTA) hereby opposes the Petition[1] and Clarification Petition[2] filed by Great Plains Communications (Great Plains) for waiver of Section 51.909(a)(4) and 51.917[3] of the Commission's rules concerning the determination of access charges and eligible recovery for carriers that leave the NECA switched access pool. Great Plains has failed to meet the requirements for a waiver as it has presented no unique circumstances that would justify a waiver, the need for a waiver is solely because of matters bearing upon its due diligence before exiting the NECA switched access pool, and its waiver is not in the public interest. On this score, the requested waiver fails to consider its impact upon the larger universe of incumbent local exchange carriers who would be impacted

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[1] Petition of Great Plains Communications for Waiver of 47 C.F.R. § 51.909(a)(4)(ii)(A) and 47 C.F.R. § 51.919(b), WC Docket No. 10-90, CC Docket No. 01-92 (June 21, 2017) (Petition).

[2] Clarification of Great Plains Communications Petition for Waiver of 47 C.F.R. § 51.909(a)(4) and 47 C.F.R. § 51.917, WC Docket No. 10-90, CC Docket No. 01-92 (July 27, 2017) (Clarification Petition).

[3] In its Clarification Petition, Great Plains states that it mistakenly requested a waiver from 47 C.F.R. § 51.919(b) but intended to request a waiver from 47 C.F.R. § 51.917 and that it seeks a waiver of section 47 C.F.R. §51.909(a)(4), and not only § 51.909(a)(4)(ii)(A).

which surely is part of the public interest calculus. Accordingly, Great Plains' waiver must be denied.

The facts in this matter are simple and straightforward. Great Plains voluntarily elected to exit the NECA switched access pool without determining in advance the impact of that decision. When NECA performed the calculations required by the Commission's rules pursuant to Section 51.909, Great Plains discovered its switched access rate cap would increase and its Connect America Fund (CAF) ICC support would decrease. Great Plains now seeks a waiver of the NECA calculation rules establishing its rate cap as a back door attempt to increase its CAF ICC support.

To justify its waiver, Great Plains states that "there was no reasonable basis to anticipate such a result."[4] But, the Commission has always required carriers entering or exiting the NECA pools to adjust their rates and the specific rules at issue have been in place since 2013. It cannot be said that Great Plains could not anticipate the result because it failed to consider the impact of the Commission's rules prior to electing to exit the pool.

Grant of Great Plains' waiver also would undermine the policy objective of the rule in question. Section 51.909(a)(4) of the rules was adopted to prevent an "unintended shift in recovery between switched access charges and the Connect America Fund ICC support"[5] and "to avoid creating unintended burdens on Connect America Fund ICC support."[6] As stated in the NECA Pooling Order, CAF ICC support was not intended to "offset the revenue effects of changes in NECA pool participation."[7] However, if Great Plains is allowed to reduce its

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[4] Petition at 4.

[5] In re Connect America Fund, Order, 28 FCC Rcd 3319, ¶11 (WCB 2013) (NECA Pooling Order).

[6] NECA Pooling Order at ¶13.

[7] NECA Pooling Order at ¶11.

switched access rate cap, its CAF ICC support will increase. Thus, grant of Great Plains' waiver will have the exact effect that the rule was intended to prevent.

In addition, and most importantly, grant of the waiver is not in the public interest because it will reduce the amount of high cost support available for Legacy Rate-of-Return (ROR) carriers (carriers that do not receive A-CAM support) due to the established Budget Control Mechanism. Quite simply, if Great Plains is given an extra $2.8 million in CAF ICC support,[8] the amount of support available to Legacy ROR carriers will be reduced by $2.8 million. If other carriers exiting the NECA pool that otherwise would see a reduction in CAF ICC support seek the same waiver as Great Plains, the impact will only be worse. This is no small matter. On average, the support reductions for Legacy ROR carriers in South Dakota for the 2017-2018 period are already at 12.19 percent (due to Budget Control Mechanism operation and other high cost mechanism factors). For individual companies, the anticipated support reductions range from 9 percent to 25.59 percent. Increasing these percentage reductions in high cost funding through granting the waiver relief requested by Great Plains, and potentially similarly situated carriers, would undoubtedly have greater negative impact on rural broadband investment efforts in South Dakota and also add to the difficulties that many rural carriers already face in trying to offer affordable stand-alone broadband internet access services.

[8] Petition at 2. Great Plains states that without a waiver its interstate switched access revenues will increase by $2.8 million. It appears that through its waiver Great Plains seeks to recover this amount via CAF ICC.

Therefore, for the foregoing reasons, SDTA urges the Commission to deny Great Plains' waiver petition.

Respectfully submitted,

SOUTH DAKOTA TELECOMMUNICATIONS ASSOCIATION

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