

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	

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

NTCA–The Rural Broadband Association (“NTCA”) hereby submits its Reply in connection with the Petitions for Reconsideration filed by Mescalero Apache Telecom, Inc. (“MATI”) and Sacred Wind Communications (“Sacred Wind”) in the above-captioned proceeding.<sup>1</sup> Each Petition seeks the same relief granted to several other small rural local exchange carriers (“RLECs”) from the effects of expense caps on those RLECs operating predominantly in Tribal areas, and asks for reconsideration of a provision in the order denying such relief to MATI and Sacred Wind based upon their respective deployment of broadband to date in such areas.<sup>2</sup> No Oppositions to the Petitions appear to have been filed, with supporting comments having been filed by the National Tribal Telecommunications Association (“NTTA”).<sup>3</sup> Consistent with its recent submission in the context of a broader proceeding, NTCA supports the grant of these Petitions as part and parcel of more comprehensive efforts by the Federal Communications Commission (the “Commission”) to finalize reforms and address budgetary concerns with respect to high-cost federal universal service fund (“USF”) support received by RLECs.<sup>4</sup>

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<sup>1</sup> Petition for Reconsideration of MATI, WC Docket No. 10-90 (filed May 30, 2018); Petition for Reconsideration of Sacred Wind, WC Docket No. 10-90 (filed May 31, 2018).

<sup>2</sup> *Connect America Fund, et al.*, WC Docket No. 10-90, Report and Order (rel. April 5, 2018) (“*Tribal OpEx Order*”).

<sup>3</sup> Comments of NTTA, WC Docket No. 10-90 (filed July 23, 2018).

<sup>4</sup> Reply Comments of NTCA, WC Docket No. 10-90, *et al.* (filed June 25, 2018), at 42.

As background, the Commission is presently considering the sufficiency of USF support in areas served by RLECs.<sup>5</sup> As NTCA highlighted in that proceeding, shortfalls in support are precluding the ability of RLECs to offer reasonably comparable services at reasonably comparable rates, and cutting support in ways that preclude fulfillment of even the Commission's own rules and initial designs for these programs.<sup>6</sup> For these reasons, NTCA has recommended that the high-cost USF budget going forward must:

(1) reflect reasonable expectations as to demands for program support over time; (2) be sized to achieve "true universal service" in the form of scalable networks that can evolve to meet consumer demand, or be sized sufficiently at the very least to correspond to the set of buildout and other performance tasks designed by the Commission; (3) be sized sufficiently as well to ensure "reasonable comparability" in terms of services and pricing; (4) provide greater predictability to the extent that any projected budget nonetheless turns out to be insufficient in a future period; and (5) include an appropriate inflationary factor just as other USF programs do today.<sup>7</sup>

Sufficient support necessarily turns upon an accurate reflection of "facts on the ground" in the areas to be served. In the case of the instant Petitions, the record in this docket has long shown – and the *Tribal OpEx Order* affirms – that the challenges of operating in Tribal areas are unique and significant.<sup>8</sup> Indeed, as NTCA has previously noted, this is true not only for those that *predominantly* serve Tribal areas, but also for other carriers that have substantial operations in

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<sup>5</sup> *Connect America Fund, et al.*, WC Docket No. 10-90, Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking (rel. March 23, 2018).

<sup>6</sup> Comments of NTCA, WC Docket No. 10-90, *et al.* (filed May 25, 2018), at 27-30.

<sup>7</sup> *Id.* at 30-31.

<sup>8</sup> *See, e.g., Tribal OpEx Order*, at ¶ 5; Comments of NTCA, WC Docket No. 10-90, *et al.* (filed May 12, 2016), at 35-36; Ex Parte Letter from Godfrey Enjady, President, NTTA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed June 5, 2015), at Attachment, pp. 1-3 (citing various Commission reports and decisions relating to challenges of deployment and operation on Tribal lands).

Tribal areas even if they are not *predominantly* serving such areas.<sup>9</sup> Moreover, these challenges do not turn specifically upon relative levels of broadband deployment – having made significant efforts to deploy at least basic levels of broadband in Tribal areas does not change conditions that can make operations uniquely difficult. Even the *Tribal OpEx Order* did not justify its finding on this basis, indicating instead that the “90% buildout exclusion” from operating expense relief otherwise granted was intended to prioritize resources within the USF budget.<sup>10</sup>

NTCA recognizes and supports the need to make effective use of USF resources. To this end, NTCA has worked diligently and in good faith with the Commission and other stakeholders to develop limits and other measures that seek to ensure the most efficient use of such resources possible directed toward the deployment and sustainability of broadband networks and the affordability of services offered atop them. With respect to the instant Petitions, however, NTCA recommends that the Commission grant them in conjunction with its more comprehensive review of the sufficiency of the USF budget applicable to operations in RLEC areas, thereby providing more sufficient support for the affected entities as they strive both to deploy *and* to continue to deliver quality and affordable services in Tribal areas.

Respectfully submitted,

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<sup>9</sup> Comments of NTCA, WC Docket No. 10-90, *et al.* (filed May 12, 2016), at 36.

<sup>10</sup> *Tribal OpEx Order*, at ¶ 7.