

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Universal Service Contribution Methodology)	WC Docket No. 06-122

**COMMENTS OF THE NATIONAL ASSOCIATION OF
TELECOMMUNICATIONS OFFICERS AND ADVISORS**

I. INTRODUCTION

The National Association of Telecommunications Officers and Advisors (“NATOA”) submits these reply comments in response to the Notice of Proposed Rulemaking, released May 31, 2019, in the above-entitled proceeding (“NPRM”).¹ We agree with the significant number of commenters in this docket who oppose the Commission’s proposal to cap the Universal Service Fund (“USF”).

NATOA’s members are representatives of local governments and agencies, working directly with their respective communities to ensure that they have the most advanced communications services they need to compete in a global economy and to better serve the needs of their residents. NATOA has long advocated for increased broadband deployment and adoption and applaud this Commission’s goal of closing the digital divide. The availability of affordable communications services, including broadband, brings to communities and residents both a stronger economy and a stronger democracy. It allows students to access online resources and submit homework, thus narrowing the “homework gap” and improving their educational

¹ NATOA’s membership includes local government officials and staff members from across the nation whose responsibility is to develop and administer communications policy and the provision of such services for the nation’s local governments.

experience. The availability of robust broadband services allows small businesses and entrepreneurs to advertise and sell their products and services online and compete with much larger businesses on a level playing field.

NATOA has supported the modernization of the Universal Service Fund (“USF”), which has, among other things, made broadband more affordable for otherwise disconnected consumers and thus helped narrow the digital divide.² However, we share the concerns of the many commenters in this docket who persuasively argue that the proposed budget caps will undermine that effort and the goals of the USF generally. We urge the Commission not to institute the proposed USF cap, and instead to consider alternative means of ensuring “efficient and responsible use” of USF dollars that do not pit the critical USF programs against each other.³

II. THE COMMISSION SHOULD ABANDON THE PROPOSED BUDGET CAP, WHICH COMMENTERS LARGELY OPPOSE

We agree with the overwhelming number of commenters who oppose the proposed budget cap. A cap over all four USF programs does nothing to curb any waste, fraud or abuse in any given program, nor does it “limit the contribution burden borne by ratepayers, provide regulatory and financial certainty, [or] promote efficiency, fairness, accountability, and sustainability of the USF programs.”⁴ Rather, the proposal threatens to force tradeoffs among programs of equal value, leaving critical USF needs unmet.

² See Comments of the National Association of Telecommunications Officers and Advisors, WC Docket No. 11-42 et al. (filed Apr. 21, 2011); Comments of the National Association of Telecommunications Officers and Advisors and the National League of Cities, WC Docket No. 11-42 et al. (filed Aug. 26, 2015); Comments of the National Association of Telecommunications Officers and Advisors, the National League of Cities, the National Association of Counties and the United States Conference of Mayors, WC Docket No. 10-90 et al. (filed Feb. 17, 2012).

³ NPRM ¶ 1.

⁴ *Id.*

Public Knowledge and the National Hispanic Media Coalition, for example, argue that “a budget cap could force each USF program—each designed to address a particular and acute universal service need—to compete with the others for funding, and potentially lead to cutting off or reducing funding for core FCC missions like promoting broadband access in schools, high-cost rural areas, and to low-income families.”⁵ We share this concern.

We also share the concerns of the Schools, Health & Libraries Broadband (SHLB) Coalition that the proposed cap would not root out waste, fraud and abuse in the USF programs. As the SHLB Coalition stated, the cap would likely “harm worthwhile expenditures while doing nothing to identify the wasteful spending by a small handful of applicants.”⁶ Rather than implement an arbitrary cap, the Commission should continue its practice of program-by-program evaluations and efforts to ensure effective and efficient use of USF funding.

We further agree with the Comments of CTIA, which noted that “an overall USF cap may introduce uncertainty for both program participants and beneficiaries, and reduce the Commission’s flexibility to respond to the evolving needs of low-income consumers and rural communities.”⁷ NTCA—The Rural Broadband Association made the same point: “an overall cap on the fund would simply create existential uncertainty across all four programs, regardless of whether any individual program was effectively achieving its mission or not.”⁸ These comments effectively demonstrate that the Commission should abandon the USF cap and instead retain the flexibility and greater certainty of individual management of the USF programs.

⁵ Comments of Public Knowledge and the National Hispanic Media Coalition, WC Docket No. 06-122 (filed July 29, 2019) at 15.

⁶ Comments of the Schools, Health & Libraries Broadband (SHLB) Coalition, WC Docket No. 06-122 (filed July 29, 2019) at 5.

⁷ Comments of CTIA, WC Docket No. 06-122 (filed July 29, 2019) at 5.

⁸ Comments of NTCA—The Rural Broadband Association, WC Docket No. 06-122 (filed July 29, 2019) at i.

Finally, we share commenters' concerns about the potentially broad implications of the proposed cap. As Communications Workers of America noted,

By capping the USF and forcing programs to compete for resources, the Commission risks undermining the USF programs, negatively impacting a wide range of stakeholders and beneficiaries including low-income people, schools, libraries, children, rural health care facilities and patients, Native tribes, as well as those who live in rural and remote areas across the United States.⁹

The potential for such sweeping impacts on populations most in need of USF programs is too great to justify the tenuous assertion that a USF cap will somehow lead to more effective programs.

III. CONCLUSION

We continue to support the modernization of the USF programs as one tool to help narrow the digital divide, and support efforts to promote efficiency and eliminate waste, fraud and abuse in these critical programs. The proposed USF cap, however, does not advance these goals and seems poised to exacerbate the digital divide. We, therefore, urge the Commission to reject the proposed USF cap in the NPRM.

Respectfully submitted,



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⁹ Comments of Communications Workers of America, WC Docket No. 06-122 (filed July 29, 2019) at 4.