

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

In the Matter of)	
)	
Petition of NTCA – The Rural Broadband Association)	
and the USTelecom Association for Targeted,)	
Temporary Forbearance Pursuant to 47 U.S.C. §160(c))	WC Docket No. 17-206
From Application of Contributions Obligations on)	
Broadband Internet Access Transmission Service)	WC Docket No. 06-122
Pending Universal Service Fund Comprehensive)	
Contributions Reform)	

**REPLY COMMENTS OF
THE USTELECOM ASSOCIATION AND NTCA – THE RURAL BROADBAND ASSOCIATION**

The USTelecom Association (USTelecom)¹ and NTCA – The Rural Broadband Association² submit these reply comments in response to the comments filed on the above-referenced Joint Petition for Forbearance (*Joint Petition*)³ seeking targeted forbearance from the application of universal service fund (USF) contribution requirements pursuant to Section 254(d) of the Act⁴ and Section 54.706 of the Commission’s rules⁵ with respect to broadband Internet access transmission services provided by rural local exchange carriers (RLECs), whether tariffed or offered on a de-tariffed basis. The *Joint Petition*

¹ USTelecom is the nation’s leading trade association representing service providers and suppliers for the broadband innovation industry. Its diverse member base ranges from large publicly traded communications corporations to small companies and cooperatives – all providing advanced communications and broadband services to hundreds of millions of customers around the world.

² NTCA is an industry association composed of nearly 900 rural local exchange carriers (“RLECs”) that provide advanced telecommunications and broadband services to millions of consumers and businesses in the most rural reaches of the United States.

³ *Petition of NTCA – The rural Broadband Association and the USTelecom Association for Targeted, Temporary Forbearance Pursuant to 47 U.S.C. §160(c) from Application of Contributions Obligations on Broadband Internet Access Transmission Service Pending Universal Service Fund Comprehensive Contributions Reform*, WC Docket Nos. 17-206 and 16-122 (filed Jun 14, 2017) (*Joint Petition*).

⁴ 47 U.S.C. § 254(d)

⁵ 47 C.F.R. § 54.706.

seeks such forbearance on a temporary basis pending the completion of comprehensive USF contributions reform.⁶

No party opposes the grant of forbearance sought in the *Joint Petition*. Indeed, all of the commenters agree that the disparate treatment amongst broadband internet access service providers when it comes to federal USF contribution assessments highlights the need for USF reform.⁷ Moreover, the two commenters taking a position on the substance of the *Joint Petition* go on to note that the disparate treatment is unfair and that eliminating such discriminatory treatment of one discrete class of provider will serve the public interest by avoiding the anti-competitive implication of uniquely assessing offerings by only a single type of operator.⁸

Commenters further agree that forbearance is the most efficient way to resolve the current inequity and thus good public policy.⁹ The plain fact is that the Commission expressly intended to provide such relief as part of its reforms in March 2016, but the manner in which such relief could actually be obtained was and remains mechanically unworkable for the vast majority of RLECs.¹⁰ A further rulemaking proceeding at this juncture to fix this “mechanical” issue, when other attempts to resolve this issue have been ineffectual or delayed, would take a considerable amount of time, whereas forbearance would immediately resolve the disparate treatment. It is of particular importance that this be resolved promptly because the practical result of requiring RLECs to contribute on this service is a pass-through charge of as much as \$7.00 and/or higher retail rates that is borne by rural consumers. Good public policy dictates that service providers in rural America be permitted to provide service on equal footing with

⁶ *Federal State Joint Board on Universal Service; Universal Service Contribution Methodology; A National Broadband Plan For Our Future*, WC Docket Nos. 96-45, 06-122, GN Docket No. 09-51, Order, 29 FCC Rcd 9784 (2014).

⁷ See Comments of GVNW Consulting, Inc., WC Docket No. 17-206, (filed Sep. 13, 2017) at 4; Comments of WTA – Advocates for Rural Broadband, WC Docket No. 17-206, (filed Sep. 12, 2017) at 4; Comments of Pennsylvania Public Utility Commission, WC Docket No. 17-206, (filed Sep. 12, 2017) at 3.

⁸ See e.g., Comments of GVNW at 2.

⁹ See Comments of WTA at 5 and Comments of GVNW at 3-5.

¹⁰ See *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3160 (2016), at n. 428.

carriers in urban areas – and universal service policy in particular dictates that consumers in rural America be enabled to obtain services at reasonably comparable rates to those paid by consumers in urban areas.

Finally, GVNW agrees that the requested relief will have a *de minimis* effect on USF contribution levels.¹¹ The *Joint Petition* estimates that a grant of forbearance will only result in a roughly a \$0.10 increase on an average consumer bill.¹² Such a result is far less than the \$7.00 only some rural consumers are experiencing as a result of the current contribution inequity.

For the reasons discussed herein, USTelecom and NTCA respectfully requests that the Commission grant forbearance from USF contribution obligations pursuant to Section 254(d) of the Act and Section 54.706 of its rules pending comprehensive contributions reform for all RLEC-provided broadband Internet access transmission services, whether offered on tariffed or detariffed basis.

Respectfully submitted,

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¹¹ See Comments of GVNW at 5.

¹² See *Joint Petition* at 13-14.