

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

In the Matter of)	
)	
NTCA and USTelecom Petition for Forebearance)	WC Docket No. 17-206
from USF Contribution Requirements)	

**REPLY COMMENTS OF THE
EASTERN RURAL TELECOM ASSOCIATION**

I. INTRODUCTION

The Eastern Rural Telecom Association (“ERTA”) respectfully submits these reply comments in response to comments filed by September 13, 2017. The comments filed were in response to a Public Notice issued by the Commission on August 14, 2017¹. The Public Notice asked for comments or oppositions to a joint petition filed by NTCA and USTelecom that requested temporary forbearance of Universal Service Fund (“USF”) contribution requirements on broadband Internet access transmission services provided by rural local exchange carriers (“RLECs”).

There were no oppositions filed. There were three sets of comments filed with unanimous agreement that USF contribution reform is needed. There was also overwhelming support for forbearance.

ERTA is a trade association composed of community based RLECs and support companies providing telecommunications, broadband Internet, and video services to rural

¹ WC Docket No. 17-206, Public Notice, DA 17-765 (rel. August 14, 2017) (“Public Notice”).

customers in the Eastern half of America. Because of piecemeal changes made over many years, the vast majority of ERTA RLECs are the only broadband providers still required to make USF contributions on broadband services offered to customers. These companies and their customers would benefit from this forbearance.

II. USF CONTRIBUTION REFORM

A FCC Public Notice recently announced the fourth quarter 2017 USF contribution rate will be 18.8%, an increase over the third quarter contribution rate of 17.1%. It is conceivable that comprehensive contribution reform could lower the contribution rate paid by customers by increasing the contribution base. As noted by the Pennsylvania Public Utilities Commission, without contribution reform “the issue of what services should contribute to the federal USF mechanism will continue to be addressed in a piecemeal fashion that engenders unnecessary uncertainty among the service providers and their end-user consumers.”² ERTA is resigned to the fact that even though it would be the right thing to do and would be one way to eliminate current customer discrimination, comprehensive and fair USF contribution reform is not imminent.

III. FORBEARANCE IS A COMMON SENSE, TEMPORARY SOLUTION

Whether intentional or not, a small subset of broadband customers in certain rural areas face discrimination because of the current contribution system. This subset represents a small number of the tens of millions of broadband connections across the country. Only the broadband services used by these customers are being assessed a USF contribution. Quite frankly, this

² Pennsylvania Public Utility Commission Comments at page 3.

seems to fly in the face of common sense. ERTA agrees with GVNW's observation that applying forbearance "is a targeted, temporary approach that simply and elegantly addresses the discriminatory treatment of RLECs and BIAS customers."³ ERTA also agrees with WTA that "forbearance would put an end to the anomaly whereby some rural Internet access service customers bear the cost of substantial federal USF contributions on broadband transmission services while urban and most rural Internet access service customers do not."⁴

To not grant temporary forbearance would mean a continuation of this discrimination of this subset of RLEC broadband customers. WTA stated it well when they said that "[e]quivalent treatment of all customers clearly serves the public interest."⁵

³ GVNW Consulting, Inc. Comments at page 4.

⁴ WTA – Advocates for Rural Broadband Comments at pages 6-7.

⁵ Id at page 6.

IV. CONCLUSION

ERTA members are small, community based businesses providing services to customers in rural areas. Most ERTA member RLECs are the only companies in America still required to make USF contributions on broadband services offered to customers. ERTA requests the FCC to quickly grant the petition for temporary forbearance until comprehensive contributions reform can be completed.

Respectfully submitted,

**EASTERN RURAL TELECOM
ASSOCIATION**

By: /s/ Jerry Weikle
Jerry Weikle
Regulatory Consultant
PO Box 6263
Raleigh, NC 27628
(704) 782-7738

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