

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

In the Matter of)	
)	
Extending Wireless Telecommunications)	WT Docket No. 99-266
Services to Tribal Lands)	
)	

ERRATUM
COMMENTS
OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The National Telecommunications Cooperative Association (NTCA)¹ hereby submits its comments in response to the Commission’s (Commission or FCC) Second Further Notice of Proposed Rulemaking, WT Docket No. 99-266 (Second Further Notice.) NTCA believes that the tribal bidding credit is an important tool in bringing telecommunications services to underserved areas. A few minor alterations to the terms of the credit, however, could greatly increase its utilization.

Currently, all carriers taking advantage of the tribal bidding credit are required to serve 75% of the population of the qualifying tribal land for which the credit was awarded, and must do so within three years of the granting of the license. In the Second Further Notice, the Commission asks whether this 75% buildout requirement is feasible, or whether it should be relaxed. There is no concrete evidence that the more stringent buildout requirement is the cause of the under-utilization of the tribal bidding credit

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 555 rural rate-of-return regulated incumbent local exchange carriers (ILECs). All of its members are full service local exchange carriers, and many members also provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). And all of NTCA’s members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

program. On the other hand, it is possible that relaxing the requirement would dilute the intended effect of the credit and undermine the objective of promoting speedy deployment of spectrum-based services to tribal areas. The stricter buildout requirement **prevents** spectrum hoarding and ensures that carriers applying for the credit use this **advantage** for the intended purpose of **providing** services more rapidly. For these reasons, NTCA recommends maintaining the buildout requirement as it currently stands.

The Commission also asks whether the poor response to the tribal bidding credit program may be due to the size of the existing credit not providing carriers sufficient incentive to deploy facilities on tribal lands. It is impossible to say with any certainty that it is the size of the bidding credit that is keeping participants away. In any event, the Commission should not relax the buildout requirement if it increases the size of the credit. Further steps, such as indexing the credit to inflation, would insure that the real value of the credit does not decline over time.

The current bidding credit criteria were established based upon 1990 census data showing that 53% of those living in tribal areas had basic telephone service, compared to 94% of the population as a whole. Subsequent data from the 2000 census shows average telephone penetration rate for all tribal areas to be 83%, versus 98% nationwide. In the Second Further Notice, the Commission asks whether the updated Census information should be used to modify certain aspects of the bidding credit. Specifically, the Commission asks whether the bidding credit formula should be modified so that tribal areas with penetration rates greater than 70% but still well below the national average are eligible for the credit.

The 70% penetration guideline was established based upon a 53% average penetration rate in tribal areas. Given the more recent data showing 83% penetration in tribal areas (and that number is itself depressed by the Navajo Reservation, which has 20% of the population of all those residing in tribal areas and a penetration rate below 25%²), it seems likely the 70% restriction could pose a major barrier to application of the bidding credit. Such a low threshold significantly limits those tribal areas to which the bidding credits apply. Consequently, NTCA believes that the guideline should be raised to a figure much closer to, yet still below, the national average.

The Commission recognizes that certain areas adjacent to tribal areas may face many of the same barriers that tribal areas face—geographic remoteness, sparse population clusters, low-income levels—and thus could face a similar lack of access to telecommunications services. In the Second Further Notice, the Commission asks whether it should consider extending additional bidding credits to carriers also serving adjacent non-tribal areas with penetration rates that fall below the percentage threshold used to calculate eligibility for the tribal credit.

NTCA believes that such a modification of the tribal credit policy could provide a significant opportunity for those rural carriers dedicated to servicing underserved areas to obtain access to spectrum. Extending the tribal bidding credit to adjacent underserved areas would fulfill the goals of the Act by promoting the availability of telecommunications services in underserved areas. The Commission should take care to define adjacent areas in a way that reflects the same policies involved in establishing the tribal credit. Only truly remote and rural areas with unique barriers to access should qualify for the credit. Providing credits to carriers serving both tribal areas and adjacent,

² Second Further Notice, fn 46.

non-tribal areas would provide additional incentives to carriers willing to serve these difficult areas.

It is critically important, however, that the Commission ensures that the adjacent non-tribal areas meet the same penetration standards that apply to the tribal areas eligible for the bidding credit. In addition, it is essential that the tribal bidding credit be a significant incentive and therefore it should be available in addition to, and separate from, any other bidding credits for which a winning bidder may qualify.

CONCLUSION

NTCA appreciates the Commission's commitment to providing incentives for carriers to provide telecommunications service to underserved tribal areas. The Commission can increase incentives to serve underserved areas by raising the penetration rate threshold for eligibility for the tribal credit and by extending the tribal bidding credit to adjacent non-tribal areas that meet the same penetration threshold as the eligible tribal areas.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing ERRATUM to page two Comments filed on June 2, 2003, by the National Telecommunications Cooperative Association in WT Docket No. 99-266, FCC 03-51 was served on this 6th day of June 2003 by first-class, U.S. Mail, postage prepaid, to the following persons.

/s/ Gail Malloy

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