

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

In the Matter of:

Request for comment on the NCTA petition	)	
for rulemaking to reduce Universal Service	)	GN Docket No. 09-51
High-Cost support where there is unsupported	)	WC Docket No. 05-337
facilities-based competition	)	RM-11584

**COMMENTS OF  
ALEXICON TELECOMMUNICATIONS CONSULTING**

Alexicon Telecommunications Consulting (Alexicon) respectfully submits these comments to the Federal Communications Commission (FCC or Commission) in response to the Commission's request for comment released December 8, 2009 (DA 09-2558). Specifically, the Commission sought comment on the National Cable & Telecommunications Association (NCTA) petition for rulemaking to reduce universal service high cost support provided to carriers in areas where there is extensive unsubsidized facilities-based voice competition.

Alexicon provides a range of professional management, financial, and regulatory services to a variety of small rate-of-return regulated ILECs who serve diverse geographic areas such as those normally characterized as rural, insular and Native American Tribal lands. The NCTA petition addresses an issue that concerns Alexicon's clients. That issue is the growth of the Universal Service Funds. Unfortunately NCTA's petition casts too wide a net over rural local exchange carriers (RLECs) in general, missed the biggest reason for the growth of the fund, and puts forward inequitable new rules.

Most rate of return regulated RLECs, including Alexicon's clients, have little or no facilities-based competition in their study areas. Where there are facilities-based competing carriers they serve a very small portion of the study area – only within towns or villages. NCTA's maps appear to claim that facilities-based competition is nearly ubiquitous. This could not be further from the truth.

The most significant factor in the growth of the universal service fund is the support funds given to competitive carriers.<sup>1</sup> Competitive carriers, even those recognized as eligible telecommunications carriers (ETCs), rarely provide service throughout a rural study area. In addition, Section 254(b) is

---

<sup>1</sup> FCC 08-122, para 6; FCC 07J-1, para 4; FCC News bulletin released Dec. 31<sup>st</sup>, 2009, pg 1, point #3

clear that “Consumers in all regions of the Nation, including...those in rural insular and high cost areas, should have access to telecommunications and information services...”<sup>2</sup> This further accentuates that NCTA’s petition is not a “one size fits all” solution for rural and insular areas of the Nation, as they note in their own petition.<sup>3</sup>

## CONCLUSION

RLEC's have provided service and made investments based on the regulatory regime that includes universal service funding. This funding has been instrumental in providing universally available telecommunications services in rural areas at reasonable rates. It is inappropriate to attempt to carve out a piece of the support mechanism without equitably addressing the whole. The Commission is considering a comprehensive change in universal service funding, and should dismiss the NCTA petition in favor of devoting their efforts to a comprehensive plan with an equitable transition.

Respectfully submitted,

**Alexicon Telecommunications Consulting**  
**3210 E. Woodmen Road, Suite 210**  
**Colorado Springs, CO 80920**

---

<sup>2</sup> Telecommunications Act, Section 254(b)

<sup>3</sup> NCTA petition, Executive Summary, pg ii, para 2