

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing an Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109

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

I. INTRODUCTION

The National Association of Telecommunications Officers and Advisors (“NATOA”) submits these comments in response to the Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (“NPR”), released February 9, 2011, in the above-entitled proceedings.

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.

II. NATOA'S INTEREST

NATOA and its members have long-advocated for increased broadband deployment and adoption, especially in unserved and underserved areas of our country. The economic, educational, health, and social benefits that broadband can bring to local communities cannot be overstated. For its part, NATOA has worked to support broadband availability through cable franchising agreements, tower facility siting policies, and public safety communications infrastructure installations. But more needs to be done to ensure that affordable broadband deployment occurs in those areas where broadband service is lacking or lagging behind.

Widespread, high capacity broadband has the power to transform our economy and our everyday lives. But as the Commission itself points out, "bringing robust, affordable broadband to all Americans is the greatest infrastructure challenge of our time."¹ This is why NATOA pleased that the Commission has taken on the Herculean task of modernizing the Universal Service Fund ("USF") and Intercarrier Compensation ("ICC") system by proposing to eliminate waste and inefficiency and "transforming a 20th century program into an integrated program tailored for 21st century needs and opportunities."²

II. DISCUSSION

There is no denying the fact that the USF and ICC programs need reform. Indeed, as the Commission points out, the current USF program, because of uneven and insufficient funding, has created a "rural-rural divide" while the ICC system "has had the effect of rewarding carriers

¹ See *In the Matter of Connect America Fund ("NPR")*, WC Docket No. 10-90, ¶ 1 (released February 9, 2011).

² *Id.*

for maintaining outdated infrastructure rather than migrating to Internet protocol (IP)-based networks. Thus, current rules actually *disincentivize* something necessary for our global competitiveness: the transition from analog circuit-switched networks to IP networks.”³ But, at the same time, we agree with the Commission that USF reform efforts should avoid “sudden changes” or “flash cuts” in policy in order to minimize disruptions and permit stakeholders time to adapt to changing circumstances.⁴

The Commission Should Take Immediate Action to Address Waste, Fraud and Abuse

The Commission acknowledges that the programs are riddled with “fundamental inefficiencies” that “cost hundreds of millions of dollars annually that could be used for investment and more productive endeavors – costs that are ultimately borne by consumers.”⁵ In today’s financial climate, it is simply inconceivable that the Commission not immediately address these “fundamental inefficiencies”. The American public and business community deserve the right to know that their contributions to the USF are being used for their intended purposes and not to increase the profits of unscrupulous service providers. The Commission must immediately improve its oversight of the programs to ensure these limited funds are spent responsibly and are targeted towards those communities and residents that the funds are meant to serve.

Include Broadband as a Supported Service

There is no argument that broadband satisfies the four-part criteria test to be eligible for federal universal service support.⁶ Indeed, it is simply impossible to assert that broadband is not

³ *Id.* at ¶ 6.

⁴ *Id.* at 12.

⁵ *Id.* at ¶ 7.

⁶ *Id.* at ¶ 63. Before modifying the list of supported services, the Commission must consider whether the service is essential to education, public health, or public safety; been subscribed by a substantial

essential to education, public health, and public safety. With the convergence of voice, video, and data services into a single broadband connection, ensuring Americans have the ability to access affordable broadband becomes more important than ever before. The ability of one to access and create news, information, and opportunities both in their community and around the world depends on broadband access and is essential to competing in a global marketplace – something well beyond a simple dial tone. Unfortunately, in 2008, the Commission failed to revise the definition of “supported services” to include broadband. But the Commission now has the opportunity to rectify that failure and must move to include broadband in the definition of supported services. The failure to include broadband will only result in a widening of the divide between those communities with advanced services and those without.

However, because ETCs must provide *all* supported services, we believe the Commission’s suggested approach of creating separate designations for each supported service would permit ETCs to continue to offer the services they currently provide without an immediate loss of funding or service disruption to their customers. But the separate designation scheme should be subject to a specific timeframe, after which ETCs must provide all supported services, including broadband, or lose funding. This predetermined timeframe, along with market demand, should encourage ETCs that do not currently offer broadband services to do so. Such a scheme would be consistent with the Commission’s goal to avoid sudden changes to minimize disruptions, while giving providers a defined period within which to adapt and provide broadband services.

majority of residential customers; being deployed in public telecommunications networks by telecommunications carriers; and consistent with the public interest , convenience, and necessity.

State, Regional and Local Networks

The Commission has recognized the role that state, regional, and local networks can play in achieving increased broadband deployment and adoption. Indeed, recommendation 8.19 of the National Broadband Plan states that “Congress should make clear that state, regional and local governments can build broadband networks” since such networks are typically built when no private providers are willing or able to offer the services necessary to meet local needs. Furthermore, recognizing that such networks may offer the most cost-efficient services available, the Commission, in its recent E-rate order, determined that eligible schools and libraries could receive support for the lease of lit or dark fiber from any entity, including “regional, state, and local government entities or networks”.

Here, the NPR poses the question whether the Commission should forbear requiring service providers be designed ETCs or even telecommunications carriers in order to permit receipt of USF support to serve rural, insular and high-cost areas. NATOA asserts the answer to this question is yes, especially since a state, regional, or local network may be the only viable broadband option available in some jurisdictions.

In the event the Commission concludes that it lacks the authority to act on this specific proposal, it should strongly urge Congress to do so. The best way to maximize the benefits of the USF program and provide for the most efficient use of funds is to provide as many broadband service options as possible.

III. CONCLUSION

The Commission should move forward and take steps to reform the USF and ICC programs by 1) making the programs more efficient by immediately instituting steps to alleviate waste, fraud, and abuse; 2) expand the definition of supported services to include broadband; and

3) permit state, regional, and local networks to receive USF funding to ensure increased broadband deployment to all parts of the country.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Traylor". The signature is fluid and cursive, with a large initial "S" and a trailing flourish.

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