

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

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 a 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
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208
)	

Comments of the

NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

To the Commission:

The National Telecommunications Cooperative Association (NTCA) hereby files comments on the Petition for Waiver of Big Bend Telephone Company, Inc. (Petition) filed in the above-captioned proceedings. *Petition for Waiver of Big Bend Telephone Company, Inc.* (filed February 6, 2012) (hereinafter, Petition). NTCA supports the Petition, and urges the Commission to grant the relief sought in order to enable the continued provision of vital communications services to Big Bend end-users.

Big Bend serves a large area along the United States/Mexico border, highlighted by mountains, deserts, and substantial distances over which facilities must be provisioned. Big Bend cites a population density of less than one customer for every three square miles of service territory. Petition at 4, 8. These conditions combine to create extraordinary costs to serve the area, and when coupled with certain of new regulations adopted recently by the Commission, a grave risk to Big Bend's ability to provide service on an on-going basis.

Specifically, Big Bend seeks waiver of (1) 47 CFR § 54.302, which limits universal service support to \$250.00 (two hundred fifty dollars) per month; (2) new limits on corporate operations expenses applied to High-Cost Loop Support (HCLS) and Interstate Common Line Support; and, (3) the possible application of a regression analysis that would limit recovery of capital and operating expenses. Each of these limitations separately, and all of them in combination, would have a devastating impact on Big Bend's ability to maintain its network and provide services to its end-users.

In support of the Petition, Big Bend explains that its West Texas service area comprises 17,593 square miles, an area roughly the size of Massachusetts. Petition at 4. The company's deployment and maintenance costs are exacerbated by rocky and mountainous terrain that creates expenses beyond the ordinary wear-and-tear to which a communications network is subject. *See, e.g.,* Petition at 25. The company describes a stark, rural area which is defined by dirt roads that can become impassible following frequent flash floods. Petition at 9. These events create costs as the company must first clear roads before accessing damaged equipment. *Id.* Additionally, the company explains that it must maintain power to its own equipment, rather than rely on the local power utility. *Id.*

In any network, these conditions would engender great costs. In Big Bend, these event-driven costs are layered atop the inherent high costs in deploying heavy-duty, robust networks meant to withstand the harsh conditions of a challenging and unforgiving natural environment. *See, e.g.*, Petition at 3. These sorts of conditions render essentially inapplicable the comparatively confined limitations that would be imposed by the regression analysis; moreover, the annual cap imposed by 47 CFR § 54.302, as well as measures intended to limit HCLS and ICLS, would have an impact that would be wholly inapposite to the ability of the company to provide service consistent with the universal service goals articulated by Congress in the Communications Act of 1934, as amended (Act).

The Commission correctly predicted that companies would be compelled to file for waivers of certain newly-adopted rules. The many-varied conditions that exist in rural areas are exemplified in the Petition, indicating that a “one size fits all approach” is not well-suited to mechanisms intended to ensure sufficient, specific, and predictable high-cost support for rural carriers. But, more than illustrate the challenges of rural areas, the Petition also demonstrates the critical role that rural carriers play supporting economic, educational, and public safety needs.

Big Bend provides a list of anchor institutions and law enforcement agencies that depend on its networks and reliable services. These include public schools, universities, banks, and numerous Department of Homeland Security installations, the Federal Aviation Administration, U.S Weather Service, and multiple local law enforcement and public safety offices. Petition at 16. No statement of risk to these entities, including security of nearly 500 miles of the United States border with Mexico, *see* Petition at 2, is clearer than the company’s warning that absent grant of the relief requested, it will default on loan covenants in the next year and leave the company and its affiliates with no cash in less than four years. Petition at 3.

The nation has long-recognized the policy imperatives of universal service. The goals of Congress in the Act, as amended, are neither abstract nor aspirations: the universal service mandates of the Act, which are charged to the Commission to fulfill, are clear in their requirements that carriers serving rural and insular areas obtain specific, sufficient, and predictable support. The Petition illustrates starkly why that Congressional mandate is not simply a laudable public policy goal, but rather a critical cog in the national machine of education, commerce, and security. Absent grant of the Petition, as demonstrated by Big Bend, numerous institutions, Federal agencies, and law enforcement and public safety offices will be bereft of critical abilities in less than four years.

WHEREFORE the reasons stated above and herein, NTCA urges the Commission to grant the relief requested in the Petition and assure universal service consistent with Congressional mandates and national goals.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS
COOPERATIVE ASSOCIATION

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