ADVANCING GLOBAL COMMUNICATIONS

TELECOMMUNICATIONS INDUSTRY ASSOCIATION
HEADQUARTERS
2500 Wilson Boulevard
Suite 300
Arlington, VA 22201-3834
+1.703.907.7700
D.C. OFFICE
10 G Street, N.E., Suite 550 Washington, DC 20002
+1.202.346.3240 MAIN
+1.202.346.3241 FAX
tiaonline.org

March 28, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington DC 20554

Re: 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.

Dear Ms. Dortch:

The Telecommunications Industry Association ("TIA") – the leading trade association for the ICT industry, representing companies that are the high-tech manufactures and suppliers of the products and services used in global communications across all technology platforms – writes to express reservations regarding constraints in the rules for price cap carriers which may have the unintended consequence of indefinitely delaying broadband capital expenditures in currently unserved and underserved areas.

TIA continues to applaud the Commission's approach on USF/ICC reform. TIA again expresses its very strong support for a transition to this support of broadband. As we have in the past, we note the importance that flexibility and technology neutrality principles have in the rules adopted, for the continuing success of the transition. The success of this initiative will be a lasting legacy of the current Commission.[1]

In particular**,** TIA concurs with suggestions that the Commission should reconsider its "one location per $775" Phase I deployment requirement and replace it with more targeted performance obligations.[2] The *Order*[3] would require electing price cap carriers to deploy broadband to one currently unserved location for every $775 of Phase I incremental support. As the actual cost of deployment to still-unserved areas is likely to be well above $775 per location in most cases, this seems likely to undercut the Commission's broadband deployment objectives.

[1] Comments by TIA, WC Docket No. 10-90 et al. (filed August 24, 2011)

[2] Petition for Reconsideration and/or Clarification, by *Frontier Communications Corp.& Windstream Communications, Inc., WC Docket No. 10-90 et al. (filed December 29, 2011)*

[3] *Connect America Fund* et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("*Order*").

Conditions that reflect performance obligations based on cost conditions in individual price cap carriers' service territories and recognize carrier needs to upgrade service in both *under*served areas and unserved areas can provide the FCC appropriate assurance that Phase I deployment support is used in an appropriate manner. We note that there is no assurance unused Phase 1 support would ever be used for future alternative broadband investment.

TIA looks forward to working with the Commission on broadband deployment, spectrum policy, investment and innovation, and other matters of critical importance to the ICT sector going forward. Please do not hesitate to contact me with any questions.

Sincerely,

Grant Seiffert
President

Telecommunications Industry Association
10 G Street N.E.
Suite 550
Washington, D.C. 20002
(202) 346-3240