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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337

PETITION
of
NTCA–THE RURAL BROADBAND ASSOCIATION,
THE UNITED STATES TELECOM ASSOCIATION, THE
INDEPENDENT TELEPHONE AND TELECOMMUNICATIONS ALLIANCE,
WTA, and the
EASTERN RURAL TELECOM ASSOCIATION
FOR STAY, OR IN THE ALTERNATIVE
FOR EXTENSION OF TIME TO RECONCILE STUDY AREA BOUNDARIES

I. INTRODUCTION

NTCA–The Rural Broadband Association ("NTCA"),[1] the United States Telecom Association ("USTelecom"),[2] the Independent Telephone and Telecommunications Alliance ("ITTA"),[3] WTA,[4] and the Eastern Rural Telecom Association ("ERTA")[5]

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[1] NTCA represents nearly 900 rural rate-of-return regulated telecommunications providers. NTCA's members help put rural Americans on an equal footing with their urban neighbors by providing broadband and other telecom services in high-cost rural and remote areas of the country. All of NTCA's members are full service local exchange carriers and broadband providers, and many of its members provide wireless, cable, satellite, and long distance and other competitive services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended.

[2] USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

[3] ITTA represents mid-size communications companies that provide a broad range of high-quality wireline and wireless voice, broadband, Internet, and video services to customers in 44 states.

[4] WTA represents more than 250 small, rural telecommunications carriers providing voice, video and data services. WTA's members serve some of the most rural and hard-

(collectively "the Associations") hereby submit this Petition for stay, or, in the alternative, request a six-month extension of time to reconcile and revise study area boundary data as directed in the Public Notice ("Notice") in the above-captioned proceedings.[6] The Notice announced the publication of an online, publicly accessible map of study area boundaries submitted by incumbent local exchange carriers ("ILECs") or state commissions, as earlier directed by the Wireline Competition Bureau ("Bureau").[7] The Notice stated that the map "depicts visible overlaps and voids" in submitted study areas.[8]

II. REQUEST FOR STAY

The Associations request that the requirement for the reconciliation of study area boundaries be stayed until the necessity of such a burdensome process is confirmed. The *Study Area Boundary Order* states that the Commission's collection of study area boundary data will be used to implement the *USF/ICC Transformation Order's* benchmarking rule, which "uses quantile regression analyses to generate a capital

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to-serve communities in the country and are the providers of last resort to these communities.

[5] ERTA is a trade association representing rural community based telecommunications service companies operating in states east of the Mississippi River

[6] *Wireline Competition Bureau Publishes Online Map Of Submitted Study Area Boundaries, Announces Procedures For Filing Revised Data*, Public Notice, DA 13-2296 (rel. Dec. 2, 2012).

[7] Notice, p. 1, citing *Connect America Fund; High-Cost Universal Service Support*, WC Docket Nos. 10-90, 05-337, Report and Order, 27 FCC Rcd 13528 (Wireline Comp. Bur. 2012) ("*Study Area Boundary Order*") 27 FCC Rcd at 13534-35, ¶ 20; *Connect America Fund; High-Cost Universal Service Support*, WC Docket Nos. 10-90, 05-337, Order on Reconsideration, 28 FCC Rcd 1489 (Wireline Comp. Bur. 2013) ("*Study Area Boundary Reconsideration Order*"), 28 FCC Rcd at 1491-92, ¶ 7.

[8] Notice, p. 2.

expense limit and an operating expense limit for each rate-of-return carrier study area."[9] The Chairman has indicated that consideration will be given by the Commission to the elimination of the quantile regression analysis ("QRA") mechanism in the near future.[10] Absence of the QRA would remove the stated reason for the study area boundary process, and particularly for the burdensome and time-consuming efforts that will be involved in reconciling many hundreds of overlaps and voids.

III. REQUEST FOR EXTENSION OF TIME

In the alternative, if the Bureau chooses to not grant the requested stay, the proposed deadline for reconciling study area boundary overlaps and voids should be extended by six months. The current timeframe for boundary reconciliation is wholly inadequate. Addressing the enormous volume of boundary inconsistencies will require much work, both by some price cap companies with hundreds of voids and overlaps, and by the few consulting firms upon whom rate-of-return companies rely for mapping services.

To initiate an efficient boundary reconciliation process, the Notice "strongly encourage[d]" filers to: (1) review the online map of the submitted study area boundaries; (2) resolve any overlaps and voids with neighboring ILECs based on discussions with one another and/or input from state entities; and (3) resubmit and recertify their study area boundary data based on any boundary modifications agreed to by the relevant parties no later than January 13, 2014.[11]

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[9] *Study Area Boundary Order*, ¶ 3.
[10] See response of Chairman Wheeler to question by Rep. Walden at hearing of House Energy and Commerce Committee, Dec. 12, 2103.
[11] Notice, pp. 1-2.

Initial reviews of the map by the Associations' members indicate that the number of instances requiring reconciliation is very high, and that the consultations required to reconcile discrepancies in identified boundaries will require significant time and effort by all parties involved. Therefore, and for the reasons set forth further herein, the Associations respectfully request that the deadline provided in the Notice be extended by six months, to July 14, 2014.

IV. IF THE BOUNDARY DATA ARE STILL REQUIRED, A SIX-MONTH EXTENSION IS NECESSARY TO ENSURE ACCURACY

An additional six months is necessary for ILECs to properly coordinate with affected parties and the Commission to ensure the accuracy of study area boundaries. The Bureau has indicated that the study area boundary map is intended to provide a "complete, publicly-accessible, nationwide set of study area boundaries" to implement universal service reforms adopted as part of the *USF/ICC Transformation Order*.[12] If the map is to be used as intended and help direct scarce federal universal service fund resources to areas where such support is needed, the study area data upon which it is based must be accurate. Otherwise, a great deal of additional time and resources will be required to make adjustments and/or seek waivers after the fact, impeding the effectiveness of the Commission's reforms.

Specifically, the *Study Area Boundary Order* states that the Commission's collection of study area boundary data will be used to implement the *USF/ICC Transformation Order's* benchmarking rule, which "uses quantile regression analyses to generate a capital expense limit and an operating expense limit for each rate-of-return

[12] *Study Area Boundary Order*, ¶¶ 1-2.

carrier study area."[13] Even if the QRA mechanism does remain in effect, if the study area boundary data upon which the QRA is to be based are not accurate, the limits to which many rate-of-return carriers could be subject as a result of the QRA will not reflect carrier costs. In this event, the Commission's reforms could repeat arbitrary outcomes not driven by meaningful data, leading to significant harms to rate-of-return carriers and their customers. Indeed, as the industry and the Commission are well aware, the quality of data that goes into the QRA model directly affects the quality of the outputs and can have serious consequences on the level of support received by individual carriers.[14]

The Associations' members have diligently embraced the Notice's suggestion to review the online map in an attempt to assess and ensure the accuracy of data therein. Within days, however, it has become clear that the number of modifications needed to ensure the map's accuracy is significant. Carriers of all sizes have inundated each other with contact attempts in order to initiate reconciliation efforts, but the sheer number of required modifications has already made clear that resolution will not be possible within the given timeframe. Multiple steps and checks, potentially including consultation with state regulatory bodies, will need to be undertaken on a case-by-case basis in order to ensure that the information filed with the Bureau can be certified by each company.

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[13] *Id.*, ¶ 3.

[14] *See, e.g.*, Order, WC Docket Nos. 10-90 and 05-337, DA 12-995 (rel. June 26, 2012), granting requests for expedited waiver of West River Cooperative Telephone Company and Kennebec Telephone Companies to correct their study area boundaries that were used in the regression analysis that established benchmarks for high-cost loop support. *See also*, NTCA & WTA *ex parte*, WC Docket Nos. 10-90, 05-337 (fil. Mar. 6, 2013); NTCA, WTA, GVNW, and Consortia Consulting *ex parte*, WC Docket Nos. 10-90, 05-337 (fil. Apr. 18, 2013); NTCA, WTA, GVNW Consulting, and the National Exchange Carrier Association (NECA) *ex parte*, WC Docket Nos. 10-90, 05-337 (fil. May 31, 2013); and NTCA, WTA, John Staurulakis, Inc., and NECA *ex parte*, WC Docket Nos. 10-90, 05-337 (fil. Jul. 19, 2013).

Given the number of boundaries that will require reconciliation, it is not feasible to adhere to the January 13, 2014, deadline while maintaining any reasonable degree of accuracy. For example, USTelecom's members are still in the process of quantifying the number of overlaps, but preliminarily they have indicated that the amount may approach or exceed one thousand. Others are still compiling the number of boundary changes, but it is apparent that the overall amount will far exceed the capacity of the industry to resolve in a brief period of time.

In addition, the process for resolving voids is less clear than the process for resolving overlaps. The map indicates the names of companies for whom overlaps have been identified, but voids are merely shown as shaded a different color. Some of the voids may be uncertified areas and some may be part of the study area of one or the other adjacent company. There may even be voids for which more than two companies are potentially implicated. The Bureau should clarify the process for identifying and resolving voids.

If the QRA is not eliminated, inaccurate data will necessitate rate-of-return carriers to seek waivers where the consequences are significant, and the Commission will be faced with the prospect of needing to recalculate QRA analyses and recalibrate the maps yet again later to ensure that results are truly representative of the geographic area, road miles, density and other key characteristics included in the QRA for rate-of-return study areas. This process would be administratively burdensome for carriers and the Commission alike. Worse, it will exacerbate the regulatory and financial uncertainty that many carriers are already experiencing as reforms take effect and models continue to be built, and further impede further investment in broadband infrastructure, contrary to the

Commission's goals. This situation provides a classic illustration of the benefits of choosing to "measure twice, and cut once."

V. CONCLUSION

There is good cause to promptly grant a stay of, or in the alternative, a modest six-month extension to, the deadline set by the Notice. To be an effective tool in the administration and distribution of universal service support, study area boundary maps must be accurate. The Commission Chairman has indicated an intention to revisit whether to eliminate the mechanism that is the main rationale for the study area boundary gathering process. Moreover, due to the high number of boundary disputes that must be reconciled, and the amount of effort needed for carriers to examine disputes, determine and agree upon appropriate solutions, and ensure that accurate modifications are filed with the Commission, an additional six months is needed if the Commission declines to issue a stay.

Respectfully submitted,

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