

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Universal Service Contribution Methodology) WC Docket No. 06-122
)

COMMENTS OF INCOMPAS

INCOMPAS, by its undersigned counsel, hereby submits these comments in response to the Federal Communications Commission’s (“Commission” or “FCC”) Notice of Proposed Rulemaking to establish a cap on the overall Universal Service Fund (“USF”).¹

INCOMPAS, the internet and competitive networks association, represents members that provide communications services across a variety of technological platforms and to a variety of customers, including residential, enterprise, and anchor institutions in rural, suburban, and urban areas. Our members participate in the USF through contributions (typically paid for by consumers and businesses that providers remit on their behalf), as well as through some of the distribution programs. Specifically, many of our members serve schools and libraries that receive E-rate support. We have members that serve qualifying rural healthcare facilities through the Rural Health Care program. We also have a successful Connect America Fund Phase II winning bidder in our membership, and a number of our members are considering participating in the Commission’s Rural Deployment Opportunity Fund to extend their broadband networks into areas that currently lack broadband.

¹*Universal Service Contribution Methodology*, WC Docket No. 06-122, Notice of Proposed Rulemaking, FCC 19-46 (rel. May 31, 2019) (“NPRM”).

INCOMPAS believes that the Commission’s current cap and budget processes for the USF programs, as well as its ongoing proceedings that review those programs are sufficient and that an overall USF cap is not needed to “promote meaningful consideration of spending decisions by the Commission, limit the contribution burden borne by ratepayers, provide regulatory and financial certainty, and promote efficiency, fairness, accountability, and sustainability of the USF programs.”²

As the Commission is fully aware, each of the distribution programs has their own purpose and operates pursuant to the Communications Act’s Section 254 requirements, as well as the Commission’s rules and Orders. These programs operate independently, but in concert, to fulfill the nation’s goal of ensuring that all Americans have access to advanced communications networks and services at affordable rates. And each program uniquely solves for issues identified by Congress in the statute and the Commission in order to meet those goals. INCOMPAS is concerned that the proposed implementation and operation of an overall cap will jeopardize the ability of each of the USF programs from meeting their individual requirements and will create more friction than is necessary between the programs (and their respective constituents) with respect to meeting their goals as well as their constituents’ needs.

Moreover, the NPRM’s suggestion that the Commission should combine program caps of certain of the distribution programs exacerbates this concern.³ To the extent any particular program has lower or higher demand than projected, the Commission already has the ability to consider whether adjustments should be undertaken individually for those programs—an overall

² See *id.* ¶ 1.

³ See *id.* ¶ 23 (seeking comment on combining E-rate and RHC caps).

cap is not necessary for it to do so. While we agree that is appropriate for the Commission to safeguard the USF funds that are ultimately paid by telecommunications end users,⁴ the Commission should focus on each distribution program individually, and of course, on the contributions methodology for ratepayers, so as to balance the Commission's statutory requirements, the nation's needs, and meeting our 21st Century universal service goals.

For the reasons stated herein, INCOMPAS urges the Commission to consider the recommendations in its comments, as it further examines the issues raised in the *Notice of Proposed Rulemaking*.

Respectfully submitted,

INCOMPAS

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⁴ See *id.* ¶ 3.