

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

In the Matter of)	
)	
Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Telecommunications Carriers Eligible to Receive Universal Service Support)	WC Docket No. 09-197
)	
Connect America Fund – Alaska Plan)	WC Docket No. 16-271
)	
Expanding Broadband Service Through the ACAM Program)	RM-11868

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 that seeks comment on a proposal by the A-CAM Broadband Coalition (“Coalition”) to deploy 100/20 Mbps broadband service in the rural areas served by carriers currently receiving Alternative Connect America Model (“A-CAM”) support.¹

INCOMPAS is the preeminent national industry association for providers of internet and competitive communications networks, including both wireline and wireless providers in the broadband marketplace. We represent fixed broadband companies, including small local fiber

¹ *In re Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support; ETC Annual Reports and Certifications; Telecommunications Carriers Eligible to Receive Universal Service Support; Connect America Fund – Alaska Plan; Expanding Broadband Service Through the ACAM Program*, Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 14-58, 09-197, 16-271 & RM-11868, FCC 22-35 (rel. May 20, 2022) (“NPRM”).

and fixed wireless providers, which provide residential broadband internet access service (“BIAS”), as well as other mass-market services, such as video programming distribution and voice services in urban, suburban, and rural areas. We also represent companies that are providing business broadband services to schools, libraries, hospitals and clinics, and businesses of all sizes, including regional fiber providers; transit and backbone providers that carry broadband and internet traffic; online video distributors (“OVDs”) which offer video programming over BIAS to consumers, in addition to other online content, such as social media, streaming, cloud services, and voice services.

The availability of BIAS connectivity throughout the U.S. is critical for the nation’s economic development and global competitive edge, and INCOMPAS’ members are at the forefront of helping Americans get better, faster internet service and online content at prices they can afford. Last year, INCOMPAS launched its BroadLAND campaign, which called for Internet for All²—a goal that has been wholeheartedly adopted by a bipartisan Congress and the Biden Administration.³ Moreover, our competitive member companies are participating in the broadband deployment and affordability programs, as well as those Universal Service Fund (“USF”) programs that have embraced competition and competitive providers, such as E-rate, RDOF, and the Rural Healthcare program.

² See *Broadland*, an INCOMPAS project that advocates for Internet for All with competition as its guide, co-chaired by Former FCC Commissioner Clyburn and INCOMPAS CEO Chip Pickering, available at <https://broadlandusa.com/>.

³ See, e.g., FACT SHEET: Biden-Harris Administration’s “Internet for All” Initiative: Bringing affordable, reliable high-speed internet to everyone in America, available at <https://www.ntia.doc.gov/other-publication/2022/fact-sheet-biden-harris-administration-s-internet-all-initiative-bringing>.

INCOMPAS has participated in the various agency processes that are implementing the new broadband funding mechanisms, and we are advocating in the states to ensure that competitors will have an opportunity to participate in these new programs and that competition policy is embraced and enabled as consumers are best served by it. INCOMPAS members deliver robust broadband networks at affordable prices, and government programs that enable broadband competitors to participate drive efficiencies and effectiveness in the programs.

INCOMPAS and its members are vested in successful outcomes for the USF. Our members remit payments into the USF, and as noted above, participate in some of the USF programs. As such, INCOMPAS has submitted comments and replies in response to the Commission's Notice of Inquiry concerning the Report on the Future of USF,⁴ and has been advocating for smart policies that will sustain the USF for the long-term. INCOMPAS is incorporating its filings in that proceeding in this record. Nevertheless, for expediency, we are highlighting the following arguments for the A-CAM docket and request that the Commission fully consider the following points in addition to our filings in the Future of USF docket.

With the tens of billions of dollars allocated by Congress to deploy broadband networks through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), American Rescue Plan Act ("ARPA"), and Investment Infrastructure and Jobs Act ("IIJA"), the Commission should pause any further consideration of extending the A-CAM until it can assess

⁴ Comments of INCOMPAS, WC Docket No. 21-476 (filed Feb. 17, 2022), *available at* [https://www.fcc.gov/ecfs/file/download/DOC-5fc23db84b400000-A.pdf?file_name=Future%20of%20USF-%20INCOMPAS%20FINAL%20Comments%20\(2.17.22\).pdf](https://www.fcc.gov/ecfs/file/download/DOC-5fc23db84b400000-A.pdf?file_name=Future%20of%20USF-%20INCOMPAS%20FINAL%20Comments%20(2.17.22).pdf); Reply Comments of INCOMPAS, WC Docket No. 21-476 (filed March 17, 2022) *available at* [https://www.fcc.gov/ecfs/file/download/DOC-5fe623a3b8400000-A.pdf?file_name=Future%20of%20USF-%20INCOMPAS%20FINAL%20Reply%20Comments%20\(3.17.22\).pdf](https://www.fcc.gov/ecfs/file/download/DOC-5fe623a3b8400000-A.pdf?file_name=Future%20of%20USF-%20INCOMPAS%20FINAL%20Reply%20Comments%20(3.17.22).pdf).

whether there are any remaining locations that will need network deployment *after* these deployment programs have been fully implemented and unserved/underserved locations that will be served are announced. The programs funded by Congress are likely to deliver much greater network capacity than what the A-CAM proposal will deliver which will help ensure that the long-term broadband network needs in these areas will be better met.⁵

Moreover, it is important that the Commission not inadvertently deter participation in the Congressionally funded broadband deployment programs that are supported by federal taxpayer dollars, especially given that the USF is under significant duress. Due to the current demands for the USF programs and the significant decline in the telecom revenue base, telecom customers are now paying a 33% USF contribution factor—the highest ever—which is a significant burden.⁶ While we expect the contribution factor to continue to rise due to the trend of telecom revenues decreasing in the USF contribution base,⁷ further financial commitments from the High-Cost

⁵ For example, in the NTIA’s BEAD program, it is prioritizing projects designed to provide fiber connectivity directly to the end user in the deployment of last-mile broadband infrastructure. *See* NTIA Notice of Funding Opportunity, Broadband Equity, Access, and Deployment Program, at 7.

⁶ *See* FCC Public Notice, *Proposed Third Quarter 2022 Universal Service Contribution Factor*, CC Docket No. 96-45, DA 22-623 (rel. June 9, 2022), *available at* <https://docs.fcc.gov/public/attachments/DA-22-623A1.pdf>.<https://docs.fcc.gov/public/attachments/DA-22-623A1.pdf>.

⁷ *See* Letter from Carol Matthey, Matthey Consulting LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket Nos. 21-476 and 06-122, at 2 (filed June 15, 2022) (“USF is under significant duress because revenues subject to assessment have declined from \$68.1 billion in 2004 to \$29.1 billion in 2021. Assessable revenues have continued to decline in 2022, with no expectation that those trends will reverse. As a result, the contribution factor could reach 40% in the foreseeable future if action is not taken.”); *see also* Letter from Carol Matthey, Matthey Consulting LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket Nos. 21-476 and 06-122 (filed Feb. 14, 2022) (submitting Matthey Consulting, FCC Must Reform USF Contributions Now: An Analysis of the Options (Sept. 2021) (also known as the USForward Report discussing the decline in the assessable revenue base)).

program would further increase the already too high contribution factor. Congress prioritized broadband deployment to ensure that all Americans can connect to a high-speed broadband network and is financing a significant part of the construction costs. There is no compelling reason why A-CAM providers should not look to these Congressionally funded programs first, which also will ensure that USF costs are not unduly increased.⁸

Moreover, the Future of USF docket includes numerous filings encouraging the Commission to pause any additional commitments for its High-Cost program until it can fully assess the impact of the Congressionally funded broadband deployment programs:

- CTIA states “the Commission should assess the impact of congressional funding for fixed broadband networks before expanding its own High-Cost Programs,” and that “[p]ending the analysis of such data, the Commission should refrain from allocating additional universal service funding for fixed broadband deployment efforts[.]”⁹
- NCTA states “the time is ripe for the Commission to pause any new high-cost support programs and to reassess many existing programs in light of the new funding made available by Congress.”¹⁰

⁸ INCOMPAS also is concerned that the A-CAM is not efficient as the program does not appear to encourage or allow for competition for the funding dollars (*i.e.*, for competitive broadband internet access service providers to compete for the same dollars and opportunity to deploy and serve). It is important to acknowledge that broadband funding programs that are competitive help drive more affordable deployment for those funding it, resulting in more efficient spend. Nonetheless, it also is imperative for the Commission to recognize that A-CAM providers are in an advantageous position with a current network and customers to obtain funding from the competitive deployment programs funded by Congress. INCOMPAS has observed that while most (but not all) of the agencies administering broadband deployment program funding are amenable to receiving competitive bids for their programs, incumbents are winning a lot of the funding.

⁹ CTIA Comments, WC Docket No. 21-476, at 7-8 (filed Feb. 17, 2022).

¹⁰ NCTA Reply Comments, WC Docket No. 21-476, at 3 (filed March 17, 2022).

- WIA encourages the Commission to “pause new high-cost programs until the impact of other recently enacted programs can be evaluated[.]”¹¹
- T-Mobile asserts “the Commission should pause any new high-cost deployment programs . . . [including] new Alternative Connect America Cost Model (“ACAM”) funding.”¹² T-Mobile further states that such a pause “will give the Commission the opportunity to create and analyze a map of federally funded locations, including USF funding, per Congress’s direction. The data will enable the Commission to evaluate what high-cost funding may be necessary in the coming years and to avoid waste.”¹³
- Free Press states “[t]he public interest and the law require the Commission to conduct a deep and skeptical analysis of its past and current High-Cost support policies and consider a pause on such support.”¹⁴
- CWA asserts that “[t]he Commission should assess the ongoing need for high-cost deployment funding based on the extent to which we have achieved availability of high-quality broadband to all Americans *following the implementation of current programs*, including IIJA, RDOF, and the American Rescue Plan Act.”¹⁵
- The California Emerging Technology Fund “recommends that the FCC pause its High-Cost Fund infrastructure program until the BEAD infrastructure projects are granted and actually constructed, given the investment in the BEAD projects are significant.”¹⁶

The Commission should heed these comments and not commit further High-Cost funding until it has analyzed the impact of the Congressionally funded deployment programs and identified

¹¹ WIA Reply Comments, WC Docket No. 21-476, at 1 (filed March 17, 2022).

¹² T-Mobile Reply Comments, WC Docket No. 21-476, at 2-3 (filed March 17, 2022).

¹³ *Id.*

¹⁴ Free Press Comments, WC Docket No. 21-476, at 23 (filed Feb. 17, 2022).

¹⁵ Communications Workers of America Comments, WC Docket No. 21-476, at 2 (filed Feb. 17, 2022) (emphasis added).

¹⁶ Comments of the California Emerging Technology Fund, WC Docket No. 21-476, at 2 (filed Feb. 17, 2022).

whether there are any remaining gaps in A-CAM geographic areas. This approach also will help avoid duplicative funding for the same builds/obligations.

However, should the Commission move forward, the A-CAM program should be opened up so that competitive providers also can participate. The Commission could set up a process by which competitors could submit bids for Commission consideration or alternatively, participate in a reverse auction for the support. As demonstrated in multiple programs across the country, including the Commission's own experience with the RDOF, competition for broadband funding helps drive down costs and deliver effective results for the American people. There is no compelling reason that the A-CAM program should not be open for competition, and such an approach may help alleviate the impact on the USF contribution factor.

Now, more than ever, Americans want access to faster, more robust and resilient broadband networks of the future, and Congress heard the people and allocated tens of billions of dollars to build high-speed broadband network to every American that currently is not served. The Commission should pause this proceeding until the Commission can fully assess the results of those deployment programs before committing to any new High-Cost funding from the USF.

Respectfully submitted,

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