

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

In the Matter of)	
)	
Notice of Public Information Collection(s))	
Being Reviewed by the)	OMB Control No. 3060-0986
Federal Communications Commission)	
)	
FCC Form 525, Competitive Carrier Line)	
Count Report, WC Docket No. 05-337,)	
CC Docket No. 96-45		

COMMENTS OF NEX-TECH, INC.

Nex-Tech, Inc. (“Nex-Tech”), by its undersigned attorneys, hereby submits the following comments in response to the Commission’s request for comment on the proposed collection of cost data from competitive eligible telecommunications carriers (“CETCs”), as published in the Federal Register.¹

Nex-Tech is both a competitive local exchange carrier and a CETC, providing landline services in rural Northwest Kansas. Designated as a CETC in areas of Kansas for purposes of receiving federal and state universal service fund support, Nex-Tech is an active and vigorous competitor in the rural Kansas telecommunications marketplace. Through significant capital expenditures to overbuild infrastructure, Nex-Tech has brought advanced telecommunications and other services to underserved rural communities that, prior to Nex-Tech’s entrance into the market, did not have access to such services, and whose residents endured poor service due to aging and outdated

¹ Notice of Public Information Collection(s) Being Reviewed by the Federal Communications Commission, 74 Fed. Reg. 3035 (Jan. 16, 2009) (“Notice”).

facilities. As discussed below, Nex-Tech supports the collection of cost data proposed by the Commission in the *Notice*.

Under FCC rules, CETCs receive high-cost support based on the per-line support that the incumbent local exchange carrier (“LEC”) receives, rather than on the (individual) CETC’s own costs.² The amount of high-cost support currently is subject to an interim cap imposed by the Commission, pursuant to which the annual high-cost support for competitive ETCs in each state is capped at the level of support that CETCs in that state were eligible to receive during March 2008, on an annualized basis.³ A CETC will not be subject to the interim cap or any cap, however, if it files cost data demonstrating that its per-line costs of providing service in a supported service area meet the support threshold in the same manner as the incumbent LEC.⁴ The Commission in the *Notice* seeks comment on the proposed collection of this cost data information.

Nex-Tech believes that the cost data the Commission proposes to collect is the most fair and appropriate basis for determining whether a CETC may receive high-cost support in excess of the interim cap. By applying the same benchmarks that are applied to an incumbent LEC’s costs to determine its support, the Commission will level the playing field for CETCs, enabling them to receive high cost support to the same extent as incumbent LECs in rural areas.⁵ Adoption of such a policy would not only be fair and

² 47 C.F.R. § 54.307.

³ *High-Cost Universal Service Support*, WC Docket No. 05-337; Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order, 23 FCC Rcd 8834, 8838, 8846, ¶¶ 1, 7, 26 (2008) (“*Interim Cap Order*”).

⁴ *Id.* at 8848, ¶ 31.

⁵ There may be instances where the incumbent LEC’s high-cost support is artificially low in certain areas because service is provided by a regional Bell Operating Company. In such cases, the amount of high-cost support available would be insufficient for a CETC to provide service in such areas, and a waiver of Section 54.307 may be warranted based on the cost study submitted by the CETC.

equitable to CETCs, but would also ensure that CETCs have an incentive to invest in, or expand, their own facilities in areas with low population densities — which the Commission has stated “would serve our universal service goals.”⁶

Nex-Tech submits, moreover, that the preparation of a cost study is a relatively straightforward task that is neither complex nor unduly burdensome for CETCs to perform. Indeed, the Commission implicitly agrees with Nex-Tech’s view: the agency has concluded that the proposed collection of cost data does not require any amendment to FCC Form 525 to incorporate the cost data necessary to determine whether a CETC’s per-line costs meet the support threshold in the same manner as the incumbent LEC.⁷

For the foregoing reasons, Nex-Tech supports the proposed collection of cost data from CETCs, as discussed in the *Interim Cap Order* and identified in the *Notice*.

Respectfully submitted,

/s/
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⁶ *Applications of ALLTel Corporation, Transferor, and Atlantis Holdings LLC, Transferee, for Consent to Transfer Control of Licenses, Leases and Authorizations*, WT Docket No. 07-185, Memorandum Opinion and Order, 22 FCC Rcd 19517, 19521, ¶ 11 (2007).

⁷ *Notice*, 74 Fed. Reg. at 3035.