

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

In the Matter of	)
	)
Connect America Fund	) WC Docket No. 10-90
	)
Connect America Fund Phase II Auction	) AU Docket No. 17-182
	)
The Uniedo a Puerto Rico Fund and the Connect USVI Fund	) WC Docket No. 18-143
	)
Rural Digital Opportunity Fund	) WC Docket No. 19-126
	)
Rural Digital Opportunity Fund Auction	) AU Docket No. 20-34
	)
Establishing a 5G Fund for Rural America	) GN Docket No. 20-32
	)
Letter of Credit Requirements for Recipients of High-Cost Competitive Bidding Support	) WC Docket No. 24-144 )

**REPLY COMMENTS  
OF  
WTA – ADVOCATES FOR RURAL BROADBAND**

WTA – Advocates for Rural Broadband (“WTA”) submits reply comments in support of the National Tribal Telecommunications Association’s (“NTTA’s”) proposals<sup>1</sup> to address and reduce the disadvantages imposed upon Tribal governments and Tribally-owned carriers by the Commission’s current and future Letter of Credit (“LOC”) requirements.

WTA is a national trade association that represents approximately 400 rural local exchange carriers (“RLECs”) that provide voice and broadband services to some of the most rural, remote, rugged, sparsely populated and expensive-to-serve areas of the United States. WTA members have long constructed and operated rural voice and broadband communications networks – very

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<sup>1</sup> Comments of the National Tribal Telecommunications Association, WC Docket No, 10-90 *et al.*, dated August 5, 2024.

often as providers of last resort – in high-cost farming, ranching, mining, mountain, forest and desert areas, as well as on Native American reservations and other Tribal Lands.

WTA has previously and consistently supported the Commission’s LOC requirements as a relevant means of demonstrating the financial capability of winning bidders to comply with the proposals and commitments they made to obtain certain service areas and support amounts in reverse auctions. Reasonable LOC requirements help to preserve the integrity of reverse auctions and to protect the Commission’s stewardship of and interest in the Universal Service Fund (“USF”) dollars that it disburses.

Like NTTA, WTA does not take a position with respect to the Weiss Safety Bank Ratings and other general LOC issues raised by the Commission in its *Notice of Proposed Rulemaking*, FCC 24-64, released June 7, 2024, in the captioned dockets. However, WTA agrees with NTTA that the unique circumstances of the relatively small number of Tribal governments and Tribally-owned carriers, as well as the severe limitations imposed by LOC requirements upon their ability to obtain the funding needed to deploy broadband, require substantial changes to the LOC and LOC-like rules that may be imposed upon them as a condition of receiving current or future USF support. Of particular concern is that the high cost or impossibility of obtaining LOCs is increasingly likely to discourage Tribal governments and Tribally-owned carriers from participating in broadband deployment programs that require LOCs, thereby reducing access to broadband by many of the isolated Native American communities and residents who need such access the most.

Many Tribal governments and Tribally-owned carriers lack established relationships with the banks that the Commission deems eligible to issue LOCs. And even if an eligible bank can be found, most Tribally-owned carriers find it extremely difficult and likely impossible to provide the

Tribal or Trust assets that are generally required by banks as collateral for the requested LOCs. Without collateral, there is virtually no chance of convincing a bank to issue an irrevocable LOC. Whereas some Tribal entities may participate in an auction or other program in the hope of getting an unlikely LOC or waiver, most will decide not to expend their time, money and effort on such a long shot.

NTTA has proposed practicable substitutes that can allow Tribal entities to provide reasonable assurances of financial capability and default recovery to the Commission. These include performance bonds, Tribal government guarantees, and Tribal government resolutions. These alternatives all can provide substantial assurance to the Commission that the Tribal-owned carrier is financially capable and that any default amounts can be recovered. To the extent, if any, that these alternatives provide somewhat less assurance and security to the Commission than LOCs, the Digital Equity and Inclusion (“DEI”) benefits of greater broadband accessibility on Tribal Lands should more than offset any such differences.

Finally, WTA supports NTTA’s proposal not only that specific alternatives to LOC requirements be employed with respect to the relatively small and limited number of Tribal governments and Tribally-owned carriers, but also NTTA’s proposal that such Tribal alternatives to LOCs be used in any and all present and future auction and non-auction USF broadband support programs that provide funding to Tribal governments and Tribally-owned carriers.

Respectfully submitted,  
**WTA – ADVOCATES FOR RURAL BROADBAND**  
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