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

In the Matter of	)	
	)	
Reforming Legacy Rules for an All-IP Future	)	WC Docket No. 25-311
	)	
Accelerating Network Modernization	)	WC Docket No. 25-208

COMMENTS
OF
WTA – ADVOCATES FOR RURAL BROADBAND

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SUMMARY

WTA appreciates the Commission's desire to re-examine an intercarrier compensation system – access charges -- that was instituted in the early 1980's to enable long-distance competition. But the *NPRM* wrongly asserts that these charges are what is holding up the transition to IP networks. The vast majority of WTA's members have initiated or completed the transition to IP networks, notwithstanding the continuing existence of these intercarrier charges. The *NPRM* also vastly understates the complexities and costs of transitioning TDM networks to IP networks, as well as the ongoing costs a rural telco faces even after completing the transition to an IP network. WTA's comments detail the various decisions and steps the company must take to implement an IP network, along with the costs that will be incurred. Moreover, the companies are facing even higher costs for fiber and switches due to the extraordinary demand for those products by data centers.

Rather than a flash cut, the implementation will require running dual networks for a period of time, thus requiring personnel with both TDM and IP expertise. The rural telco will also need to maintain service reliability, as well as address a heightened risk of security vulnerabilities. In addition, the rural telco must deal with the impact of the transition on its customers, including the need to deploy new customer premises equipment. And all of those steps are further complicated by the fact that the transition will be impacted by decisions being made by regulators and other carriers with which the rural telco will interconnect.

The *NPRM* asserts that the change from intercarrier charges to bill and keep is necessary to send the proper "pricing signals." There are two significant flaws with that argument. First, those "pricing signals" ignore the positive externalities of broadband deployment. In addition, those "pricing signals" of higher prices reflecting the higher costs in rural areas would result in fewer customers and lesser capabilities, contrary to Congress' directive to the Commission in Section 254(b)(3) of the Communications Act to ensure that rates and services in rural areas are comparable to the rates and services in urban areas. Thus, if the Commission does eliminate the implicit subsidies in the current intercarrier compensation system, along with phasing out some of the other subsidy programs, the Commission must provide a longer transition period and implement an explicit subsidy program to replace those lost revenues.

To the extent the Commission considers this proceeding as one of the elements of the IP transition, WTA urges the Commission to address all of the related, moving parts in a holistic fashion. Finally, WTA agrees that the best path forward would be through an industry consensus, and WTA looks forward to working with other industry participants to develop such a consensus, potentially through use of a negotiated rulemaking proceeding.

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Comments of WTA – Advocates for Rural Broadband

WTA – Advocates for Rural Broadband ("WTA") submits these comments on the Commission's Notice of Proposed Rulemaking with respect to potential revisions to the rules regarding the regulatory framework for voice telecommunications rates.[1] WTA is a national trade association representing approximately 400 small, rural local telecommunications carriers. The typical WTA member company serves fewer than 5,000 customers per service area and has fewer than 50 employees. WTA's members provide voice, broadband and other communications-related services to some of the most remote, rugged, sparsely populated, and expensive-to-serve areas of the United States, and have been at the forefront of providing advanced services to these very difficult to serve territories. WTA's members interconnect with and receive compensation from other local exchange carriers ("LECs"), as well as interexchange carriers, mobile services providers and NG911 Delivery Points. Our members also charge customers Telephone Access Charges and receive subsidies from the Commission, all of which are proposed to be modified by this rulemaking. Thus, we have a strong interest in this *NPRM*.

[1] *In the Matter of Reforming Legacy Rules for an All-IP Future; Accelerating Network Modernization,* FCC 26-11, released February 19, 2026 (hereafter cited as "*NPRM*").

I. Introduction

WTA agrees with the Commission's goal of accelerating the modernization of the network by the ubiquitous deployment of all-IP networks. And WTA appreciates the Commission's desire to re-examine an intercarrier compensation system that traces its roots back to the introduction of access charges designed to address long-distance service competition and the breakup of the Bell System in the early 1980's. A lot has changed in the ensuing four decades. Revisiting a more than forty year old implicit subsidy program with a direct, targeted subsidy program may be more "efficient."[2] But WTA is concerned that the *NPRM*'s proposals to update intercarrier compensation with a full bill-and-keep system, along with eliminating Telephone Access Charges ("TACs") and phasing out Connect America Fund Intercarrier Compensation ("CAF ICC"),[3] will on its own do nothing to accelerate the IP transition. On the other hand, these various proposed changes will adversely affect customers in rural areas by increasing their rates – some very significantly -- unless the Commission provides a sufficient support mechanism and a reasonable transition period, consistent with Congress' directive in Section 254(b)(3) of the Communications Act --

> **(b) Universal service principles** The Joint Board and the Commission shall base policies for the preservation and advancement of universal service on the following principles:
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> * * * * *
>
> **(3)Access in rural and high cost areas**
> Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced

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[2] *Cf*., *NPRM* at ¶ 27 ("[E]ven if bill-and-keep does not allow for overall cost recovery, 'it is more efficient to ensure cost recovery via direct subsidies,"' citing *USF/ICC Transformation Order,* 26 FCC Rcd 17663 at ¶ 753).

[3] While the total CAF ICC amount may look relatively small compared to other Universal Service mechanisms, for many of the WTA members, the CAF ICC support is very significant on a per line basis.

> telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

As WTA explains below, while this rulemaking focuses on intercarrier compensation, the transition to all-IP networks involves a number of interrelated proceedings and issues that must be addressed in a holistic fashion in order for there to be a timely and successful IP transition, while still preserving universal service as Congress mandated.

The *NPRM*'s goal of accelerating the transition to IP networks makes sense given technological and market developments. But the *NPRM*'s assertion that the current intercarrier compensation charges, tariffing of telephone access charges and the CAF ICC support mechanism are primary factors delaying that transition is not warranted.[4] Likewise, the *NPRM*'s relatively short proposed transition period and phase-down of support -- apparently premised on the presumption that the transition to IP networks will be quick, easy[5] and with little costs[6] – does not withstand scrutiny.

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[4] *See NPRM* at ¶ 19:

> Thus, by enabling LECs to recover a portion of their network costs from other carriers, the ICC system could be viewed as insulating TDM network technology from the effects of market forces. We seek comment on whether this disparity reduces LECs' incentives to invest in IP networks and services. Is this an accurate assessment of the dynamics in the voice services marketplace? Does the existing ICC framework discourage some carriers from transitioning to IP-based technologies due to the potential loss of ICC revenues and, in some cases, associated USF support? (citations omitted)

See, also, NPRM at ¶¶ 82 and 119.

[5] *E.g., NPRM* at ¶ 120 ("We believe that this phase-out approach would provide sufficient time for rate-of-return carriers that may currently rely on CAF ICC support to upgrade their networks and make necessary adjustments, and we seek comment on this view.").

[6] *E.g., NPRM* at ¶ 65 ("Is it correct to assume that most providers already maintain either direct peering arrangements or agreements with third-party IP transit providers for transporting existing Internet traffic from their end users, and that they can readily in a cost-efficient manner

Following the release of this *NPRM*, WTA surveyed its members to find out the status of their transition to IP networks. The responses showed that just over 80% of the companies that responded had initiated or completed the transition to IP networks, in roughly equal numbers, and just under 20% had not yet begun the transition. The fact that a large majority of WTA's rural companies have initiated or completed the transition to IP, notwithstanding the existence of the regulatory policies, provides strong evidence that those policies are not the impediment to the IP transition. Indeed, in follow-up discussion with WTA members, many mentioned that the only hold ups to completing the transition to all IP networks were the necessity to connect to Public Safety Answering Points ("PSAPs") using Time-Division Multiplexing ("TDM"), and/or large ILECs only providing connectivity to their access tandems via TDM.

Nor is it the case that the transition from TDM networks to IP networks is quick and easy. As explained in greater detail below, there are significant complications and difficulties that require expertise, careful planning and coordination with other entities. Additionally, as detailed below, there are also significant up-front and ongoing expenses that a company faces in connection with the implementation and operation of IP networks. Moreover, Commission actions in other proceedings will impact how and how quickly the transition to IP networks can be completed for all service providers. Thus, WTA urges the Commission to provide companies with the time, resources and clarity to complete the transition to IP networks.

II. The Difficulties Rural Telcos Face as They Transition to IP Networks

A company transitioning its network from TDM to IP faces significant complexities and

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incorporate voice traffic—given that it represents only a small portion of overall data traffic—into those existing arrangements?").

difficulties (as well as costs, discussed in the next section). As an initial matter, if the company has not yet deployed fiber (or other broadband) to all its customers, then it will need to undertake that complex construction/deployment, too.[7] In any event, the carrier must carefully plan how it intends to implement IP services. For example, the rural telco must decide whether it will deploy a server and perform the traditional switching/billing functions itself, or utilize a cloud-based switching service (hosted voice). And it will need to select vendors for each of the components. It will also need to decide how it will address issues of reliability and security. All of these issues will involve tradeoffs that affect the cost of deployment. Discussions with our members suggests that this planning process could take 12-18 months.

Having navigated the planning process, the transition and implementation of a TDM network to an IP network will also be very convoluted. Rather than a flash cut, rural telcos will likely be operating a hybrid phase where elements of both a TDM and an IP network will be operating. Ensuring reliable call completion within and across networks incorporating TDM to Session Initiation Protocol ("SIP") gateways, involving both SS7 and SIGTRAN gateways,[8] potentially with mixed vendor equipment, is highly complicated. Moreover, the rural telco will need personnel with both TDM and IP skills. Hiring qualified staff in rural America has

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[7] While a local exchange carrier operating a TDM network could in theory simply convert (through a media gateway switch or other device) its TDM traffic and hand it off as an IP signal, such a "patch" makes little sense, because it provides none of the efficiencies or long-term cost savings from deploying an IP network, while creating potential problems with reliability and adding the additional costs for equipment (and potentially transit, depending what the Commission decides in the IP interconnection proceeding).

[8] Replacing SS7 over TDM with SIGTRAN over IP is eventually cheaper and more scalable, but it introduces new risks, including the need for IP path diversity, signaling failures can cascade faster and troubleshooting becomes more complicated -- shifting from telco tools to IP analytics.

always been challenging, but it is currently more challenging due to the major competition for technically qualified team members. And that problem is exacerbated by the fact that many of the employees with TDM skills have already or soon will retire. Thus, staffing may be problematic.[9]

During the transition and on an ongoing basis, the rural telco must also address service reliability. TDM networks were designed based on industry requirements that held itself to the highest quality levels with the ability to ensure "five-nines" reliability. In contrast, simple "best efforts" Internet service does not provide the same level of reliability due to packet loss, jitter and variable latency (and for shared broadband services like mobile wireless and satellite, slow down in speeds during peak periods). Without proper quality-of-service traffic engineering and buffering, call quality can degrade quickly, particularly during busy hours or failover events. In a simple "best efforts" IP model, voice becomes just another application unless explicitly protected. To do so, service providers must implement engineering solutions, including traffic separation to distinguish voice traffic from "best efforts" data, quality of service marking (that will be respected outside the service provider's network) and capacity planning to ensure sufficient calls per second ("CPS") capabilities. But that comes at a cost.

In addition, security exposure increases dramatically in an IP network. TDM networks are closed, so that remotely hacking into those networks is a substantially reduced risk. In contrast, as Salt Typhoon demonstrated, sophisticated hackers (including state actors) present

[9] This problem can be exacerbated in cases where the rural telco needs to conduct troubleshooting with another carrier with which it is interconnecting, because that other company may also need personnel that possess both TDM and IP capabilities.

significant risks that must be addressed.[10] Moreover, distributed-denial-of-service ("DDoS") attacks can readily be initiated by even relatively unsophisticated people, necessitating deployment of robust Session Border Controllers. All of which further complicates the design and deployment of IP networks, as well as the ongoing need to hire or train the rural telco's personnel to be able to deal with these heightened cybersecurity concerns.

The conversion from TDM networks to IP networks is also likely to directly impact a rural telco's customers, which further complicates the transition. Customers may have to replace customer premises equipment ("CPE"), including fax machines, alarms and analog phones.[11] In addition, customers may also have to install power backup to ensure the ability to communicate during a power outage. The need to educate customers about the necessary changes will add to the time and resources needed to support the IP transition.

Finally, WTA notes that several issues affecting the transition to IP networks will depend on some still-to-be-made decisions of state and federal regulators, as well as potential negotiations with other service providers. E911 and NG911 calls are critical, and providing accurate location information for nomadic, landline services will be complicated.[12] Moreover,

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[10] *E.g.*, https://docs.fcc.gov/public/attachments/DOC-408015A1.pdf. And the situation is likely to get even more risky with advances in quantum computing making encryption less protective, and advances in AI models making it easier for bad actors to detect security flaws. *See, e.g.,* https://red.anthropic.com/2026/mythos-preview/

[11] One of WTA's members indicated that after they transitioned to an IP network a municipal government customer needed to spend $20,000 for new equipment to support water well monitoring across seven pumps and three wells. Moreover, apparently the Federal Aviation Administration still relies on analog data circuits for many of its connections. Thus, some government customers may be acutely affected by the transition to IP networks.

[12] For mobile services, the Commission has already developed rules for location accuracy that is provided by GPS incorporated into the mobile phone (and supplemented by enhanced location requirements that are being further refined). *See*, 47 CFR § 9.10; *Wireless E911 Location Accuracy Requirements* (Sixth Further Notice of Proposed Rulemaking), 40 FCC Rcd 2764 (2025).

different states are at different stages of implementing NG911 service, including prescribing where and how the telcos are required to interconnect with the State Emergency Services IP Network ("ESInet").

In addition, a rural telco cannot unilaterally make decisions with regard to interconnections with other service providers. That may depend on negotiations with those other providers, as well as the Commission's still-to-be-made decisions on the default interconnection locations and requirements, including the continuing role of LATA boundaries and who would be responsible for transit charges.[13] In sum, the transition from TDM networks to IP networks is neither simple nor quick, particularly because the quality of service is at risk.

III. The Costs of Implementing and Operating an IP Network

As described in the preceding section, rural telcos face a daunting array of tasks and complexities in transitioning to IP networks. These carriers also face significant costs – some of which are one-time and others are ongoing[14] – to support implementation and operation of an IP network. And some of those costs will depend on decisions outside of the control of the carrier, as mentioned above. So, there is no simple formula that will accurately predict the costs of the transition for a carrier or the industry as a whole. But WTA can catalog the various types of costs that a carrier will face in transitioning to an IP network. As an initial matter, if

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[13] *Advancing IP Interconnection*, 40 FCC Rcd 8566 (2025). With respect to a default point of interconnection, WTA in its comments in that proceeding suggested the possibility of piggybacking off the NG911 interconnection point(s) being established in each state.

[14] *NPRM* at ¶ 182 and ¶ 183 ("Separately, we also seek comment on whether carriers expect some costs associated with the implementation of these proposed rules to persist beyond the transition period. The Commission's ultimate decision regarding the definition and location of the network edge may also impact costs for some carriers, particularly transport costs. We seek comment on how different approaches to defining the network edge may affect the allocation of costs and benefits across carriers." (footnote omitted)).

the carrier has not already deployed a robust broadband network, then it must make that significant investment as a necessary step.[15]

The initial investment in deploying a broadband network will also require fiber drops and optical network terminals or fixed wireless equipment to be deployed to each customer's home/business, as well as optical line terminals to be deployed in the central offices/data centers. The costs a carrier faces will also include the costs of deploying or acquiring capacity to connect with other carriers, and/or national carriers as proposed by Inteliquent,[16] which in turn hinges on Commission decisions in the IP Interconnection proceeding, In addition to the investment in the purchase and deployment of fiber, fiber electronics or fixed wireless equipment, the carrier will also need to dedicate significant staff time and/or hire consultants to undertake the planning and design of the new IP network to replace the TDM network.

One of the primary decisions in upgrading the carrier's switching infrastructure will be whether to purchase an upgraded switch or rely on a cloud-based solution. But even the first option typically entails ongoing costs, because many manufacturers impose fees for maintenance, licensing and/or updates for the switches. Moreover, the demand sparked by data centers means that prices are increasing for switching equipment, not just fiber.[17]

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[15] Any necessary investment in fiber will also likely to be more expensive presently, because of the enormous demand for fiber required by data centers for their internal as well as external connectivity. Moreover, the current problems with fiber shortages are further exacerbated by Corning's apparent decision to no longer supply glass/fiber strands to the independent manufacturers that serve the rural broadband providers (choosing instead to direct its manufacturing capacity to data centers). And because it is difficult to splice different manufacturers' fiber, extensions or repairs may entail the use of greater amounts of fiber, because fiber links may need to be replaced rather than repaired/spliced.

[16] *See,* https://www.fcc.gov/ecfs/document/10219237071172/1.

[17] *See, e.g.,* https://www.networkworld.com/article/4167302/switch-storm-coming-gartner-forecasts-price-hikes-long-lead-times-for-enterprise-data-center-switches.html

Additional expenditures will also be necessary for Session Border Controllers to both provide IP interconnection to other voice providers and enable secured and controlled VoIP peering. Because use of the open Internet presents reliability and security issues, the carrier will need to employ Border Gateway Protocol ("BGP") and restricted BGP paths for peering interconnection that reduce the potential attack surfaces to protect against cyberattacks of DDoS attacks. The carrier will also need to deploy dedicated Emergency Telecommunications Service links to provide secure and reliable connections to Public Service Answering Points. And those connections should also include redundant paths, and thus redundant transit costs, as well as firewalls and encryption. In addition, the carrier will need to train current personnel or hire new personnel with the necessary skill sets for these new technologies, creating yet additional expenses.

To ensure that the proper information for routing and billing is exchanged with interconnecting carriers, the rural telcos will also need to convert their current TDM-based SS7 signaling to SIGTRAN (or an alternative IP-based signaling system), as well as install timing equipment. This may also entail Dedicated Ethernet Transport Services ("ETS") to redundant provider locations, firewalls to secure and encrypt transport paths and routers supporting BGP for provider connectivity.

Finally, in order to ensure continuing compliance with the Communications Assistance for Law Enforcement Act ("CALEA"), rural telcos may need to install new equipment or retain third-parties to collect required information to provide the required lawful intercepts. They will

("Gartner predicts switch price increases of 15% to 40%, largely the result of resource constraints, and lead times of three to nine months, up from one to two months in mid-2025. Constraints should ease by around the middle of next year, but don't expect prices to come down.").

also need to train employees or retain consultants to ensure continuing compliance in light of the reconfigured CALEA compliance measures. Moreover, as demonstrated by the Salt Typhoon fiasco, they must deploy very robust cybersecurity measures. In sum, as the discussion in this Section demonstrates, conversion to an IP network will create the need for both initial and long-term significant investments and expenditures. But given the various uncertainties with regard to network requirements and designs, it is difficult to quantify those financial requirements presently.

IV. Potential Adverse Effects on Universal Service

In proposing to eliminate a significant source of revenue for rural telcos by replacing originating access charges with "bill and keep," the *NPRM* asserts that this is necessary to send the proper "pricing signals" to the carriers and customers.[18] There are two significant flaws with that argument. First, those "pricing signals" ignore the positive externalities of broadband deployment, including "network effects". Those "pricing signals" of higher prices reflecting the higher costs in rural areas would result in fewer customers and lesser capabilities. The *NPRM* does indicate that direct subsidies may be a more efficient means of providing support,[19] but then does not firmly commit to adopting any such subsidies, thus risking significant harm to consumers. Second, aside from the flawed economics, such "pricing signals" are contrary to Congress' explicit directive to the Commission in Section 254(b)(3) of the Communications Act to ensure that rates and services in rural areas are comparable to rates and services in urban areas.

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[18] *NPRM* at ¶¶ 27, 98 and 99.

[19] *NPRM* at ¶ 27.

But the loss of the implicit subsidies reflected in the access charges is further exacerbated by the *NPRM*'s proposals to further reduce current revenues by phasing out CAF ICC and also de-tariffing telephone access charges.[20] The problem of reduced subsidies is further compounded by the proposal to potentially classify all or a larger proportion of IP traffic as jurisdictionally interstate,[21] which could have the effect of reducing the State USF support programs in some forty states that currently help subsidize rural telcos. Moreover, the classification of all or an increased amount of those services as interstate would presumably also subject them to the USF contribution factor (currently at 37%),[22] and thus potentially raising the prices to be paid by customers even higher. One of our members in the Midwest calculated that just the loss of CAF ICC funds and State USF funding would result in needing to raise customer's rates by over $110 per month to make up for those current sources of revenues.

Moreover, rural telcos already face additional pressure to raise their customer's rates to help pay for unfunded mandates imposed by the Commission and the States, including: excessive and redundant reporting burdens (such as duplicative Broadband Data Collection

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[20] A carrier seeking to impose the de-tariffed telephone access charges on customers may need to file a state rate case to do so.

[21] *NPRM* at ¶¶ 64, 75 and 110.

[22] *See*, https://docs.fcc.gov/public/attachments/DA-26-218A1.pdf. Without awaiting Congressional expansion of services subject to the USF contribution factor, the Commission could mitigate the impact of applying the USF Contribution factor to these newly-categorized interstate services if it were to adopt meaningful contribution reform under its current authority. USF contribution requirements are not limited to Title II service providers, but can also be assessed on the "telecommunications" component of Broadband Internet Access Service ("BIAS") under Section 254(d) ("Any other provider of interstate telecommunications may be required to contribute to the preservation and advancement of universal service if the public interest so requires."). On the other hand, extending USF contribution requirements to edge providers would presumably require legislation.

reporting); network resiliency requirements; cybersecurity obligations; broadband testing, which requires providers to purchase equipment or service to facilitate testing, as well as additional reporting requirements; STIR/SHAKEN, which requires providers to incur expenses to obtain the tokens, as well as the infrastructure required to comply with the requirements, further compounded by the related Robocall mitigation plans and plan tracking; Broadband Data Collection, which imposes reporting requirements as well as expense to gather the data and complete the challenges; monitoring (and challenging) the broadband data map; broadband pricing transparency and labelling requirements; Disaster Information Reporting System (DIRS) and Network Outage Reporting System (NORS) obligations; and state requirements to mark the locations of fiber in areas that will be under construction (such as a highway widening), as well as possibly having to absorb the cost of moving the fiber if necessary.

Deploying IP networks will impose significant up-front costs on rural telcos, as well as many ongoing costs. And while over the long term the deployment of IP networks can be expected to reduce operating and maintenance costs, they will not disappear. Thus, if the Commission decides to proceed with its proposal to move to bill and keep for all access charges, it must commit to implementing a "more efficient" direct subsidy program[23] to help cover the lost revenues from the implicit subsidies in intercarrier access charges, and potentially State USF subsidies and the phase out of CAF ICC. Otherwise, customers will have to pay outrageously high rates (or rural telcos will not be able to afford to stay in business), which would be inconsistent with the Congressional policy reflected in Section 254(b)(3).

[23] *See* n. 2, *supra.*

V. The Commission Needs to Address all the Issues Concerning the IP Transition in a Holistic Fashion

The *NPRM* suggests that the current intercarrier compensation system is a significant deterrent to the transition to IP networks, and thus proposes changes to that system. As WTA explained in Section I above, there does not appear to be support for this claim. Nevertheless, how the Commission addresses intercarrier compensation and the other payments used by rural telcos to subsidize the necessary network upgrades will affect how quickly – or if – rural telcos can complete the transition to IP networks. But in addition, there are a number of other issues and proceedings that will impact the transition to IP networks, and WTA urges the Commission to address all of these different rulemakings and policy determinations in a timely and holistic fashion to ensure that the transition occur as smoothly, efficiently and quickly as possible, while also ensuring that any negative effects on consumers are minimized.

These additional proceedings/issues include, of course, the proceeding addressing IP interconnection, which will establish where and how interconnection will occur.[24] That proceeding could have significant effects on the costs and design of a carrier's network. In addition, the design and timing of IP network deployments will also be affected by the Commission's requirements for NG911 implementation,[25] which is setting the stage for ubiquitous availability of end users being able to send not only voice, but also video and text messages for help. The state-mandated NG911 interconnection points could also potentially serve as a source of default interconnection locations for the exchange of regular traffic, thus

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[24] *Advancing IP Interconnection*, 40 FCC Rcd 8566 (2025).

[25] *Facilitating Implementation of Next Generation 911 Services (NG911); Location-Based Routing for Wireless 911 Calls,* 39 FCC Rcd 8137 (2024). The timing and obligations for NG911 implementation will also be affected by state determinations.

potentially affecting the design of IP networks. The Commission proceeding addressing robocalling mitigation[26] currently includes a provision for non-IP solutions to the STIR/SHAKEN requirement, and thus decisions in that proceeding could affect the timing of IP transitions. Importantly, the ease and timing of network enhancements/deployments will also be affected by the Commission's proposals to expedite copper network retirements and to preempt state and local barriers to network deployments.[27]

As mentioned above,[28] a reclassification of IP services as jurisdictionally interstate could expose customers to the very high federal USF contribution factor for more of their monthly bills, that would further exacerbate affordability and rate comparability concerns. And more generally, the Commission recently initiated a rulemaking proceeding addressing potential USF reforms, which will also affect affordability of services as well as necessary support for IP network deployments.[29] Finally, WTA notes that any Commission efforts to address network reliability, cybersecurity or CALEA compliance could affect the design and cost of IP networks. There are clearly a lot of inter-related "moving parts" that the Commission must address that could impact the nature, design and costs of the IP transition.

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[26] *Call Authentication Trust Anchor*, 40 FCC Rcd 3467 (2025).

[27] *Reducing Barriers to Network Improvements and Service Changes; Accelerating Network Modernization*, FCC 26-19, released March 27, 2026; *Build America: Eliminating Barriers to Wireless Deployments*, 40 FCC Rcd 8115 (2025). Advanced network deployment timing will also be affected by efforts across federal agencies to streamline and accelerate the permitting processes. *E.g.*, Presidential Memoranda, *Updating Permitting Technology for the 21st Century*, **https://www.whitehouse.gov/presidential-actions/2025/04/updating-permitting-technology-for-the-21st-century/.**

[28] *See*, n. 22, *supra*.

[29] *Reforming the High-Cost Program for an All-IP Future*, FCC 26-35, released May 21, 2026.

WTA urges the Commission to do so on a comprehensive and coordinated basis.

VI. Recommendations

WTA has some suggestions with regard to how the Commission should address the issues raised in this proceeding in connection with the phase-down or elimination of intercarrier compensation and other support programs. But WTA agrees with the *NPRM*'s suggestions of seeking to develop industry consensus,[30] and looks forward to participating in that process on behalf of our members. The *NPRM* proposes the creation of a working group "to coordinate a process for completing the IP transition."[31] WTA suggests the Commission also consider the use of a Negotiated Rulemaking Proceeding[32] as an additional means of developing an industry consensus. WTA notes that the Commission successfully used that process with regard to the development of rules for the "Little LEO" satellite service.[33]

With regard to the *NPRM*'s proposals to phase out CAF ICC support over a relatively short period of time[34] and shift from originating access charges to bill and keep, any such changes must be accomplished over a sufficiently longer period of time than proposed in the

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30 *NPRM* at ¶¶ 175-178.

31 *NPRM* at ¶ 178.

32 https://www.congress.gov/bill/101st-congress/senate-bill/303/text; 5 U.S.C. §§ 561-570.

33 *Little LEO First Report and Order*, 8 FCC Rcd 8450 (1993).

34 The *NPRM* at ¶ 117 proposes a two-year transition period beginning once the transition to bill-and-keep is complete. In contrast, WTA notes that when the Commission changed the Subscriber Plant Factor (SPF) based on relative usage to a flat 25%, it provided an eight year transition that could be extended to twelve years for carriers that were most affected by the change. *Amendment of Part 67 of the Commission's Rules & Establishment of a Joint Bd.,* 89 F.C.C.2d 1 (1982), affirmed *MCI Telecommunications Corporation v. FCC*, 750 F.2d 135 (DC Cir 1984). While a twelve year transition may not be necessary, two years would clearly be inadequate.

NPRM so as to allow carriers to adapt, and be accompanied by direct subsidies to ensure that rates in rural areas remain comparable to rates and services in urban areas.[35] In addition, the transition and the new support program replacing the implicit subsidies from access charges and the more explicit subsidies from CAF ICC must take into account the fact that costs are going to increase at first as carriers make the investments and incur expenses to transition their networks to IP, but then go down (but not go away completely) as the efficiencies of IP networks begin to emerge.

As WTA also explained in these comments, in many cases our members have found that larger ILECs' insisting on tandem connections via TDM have delayed the members' completing the transition to IP networks. Thus, it may make sense for the Commission (or industry working group) to consider a "sunset date" for transitioning from TDM to IP networks. To the extent the Commission agrees, WTA also suggests using a tiered approach, whereby the largest carriers would complete their transition to IP networks within three years, mid-sized carriers would complete the network upgrades within five years, and small carriers would have up to seven years to transition to IP networks. These different timelines reflect the different levels of resources available to these different-sized carriers to complete the transitions.

VII. **Conclusion**

The goal of accelerating the deployment by all carriers of IP networks is a worthy one.

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[35] WTA supports the Commission's proposal to "continue to accept new interstate tariffs and revisions to existing tariffs" (*NPRM* at ¶ 70) and urges the Commission to allow LECs to continue to participate in NECA's tariff and pooling process during any transition. (*NPRM* at ¶ 74) Continued use of the NECA tariff provides for greater efficiency in the telephone companies' setting of rates and prices by providing scale economies for many of the necessary regulatory and business functions.

And this proceeding is just one of many that the Commission (and the States) must resolve to effectuate that goal. But in order to ensure that everyone benefits from the transition to IP, the Commission should adopt rules here and in the related proceedings that also fulfill the goal of ensuring that rates and services in rural areas remain comparable to those in urban areas.

Respectfully submitted,

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