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

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| In the Matter of | ) | |
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| Reforming the High-Cost Program for an All-IP Future | ) | WC Docket No. 26-96 |
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| Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Support | ) | WC Docket No. 10-90 |
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# COMMENTS OF INCOMPAS

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**COMMENTS OF INCOMPAS**

## I. INTRODUCTION AND SUMMARY

INCOMPAS, the premier national industry association for providers of internet, communications, and AI infrastructure, represents competitive broadband and communications providers, digital infrastructure companies, and cloud, content, and application providers serving customers nationwide. Its members invest substantial private capital and include USF contributors, recipients of High-Cost support, competitors of supported carriers, and participants in federal broadband programs.

The High-Cost Program has played an important role in advancing Congress's universal service goals by supporting network deployment, maintenance, and continued service in rural and high-cost areas. INCOMPAS supports sufficient and predictable High-Cost support where current evidence demonstrates that it remains necessary to preserve and advance reasonably comparable services and rates. As market conditions change, that support should remain targeted, accountable, and competitively neutral. The Commission initiated this proceeding amid several converging transitions. Connect America Fund Broadband Loop Support ("CAF BLS") and High-Cost Loop Support ("HCLS") continue to provide substantial support, while recipients of those mechanisms

currently have no forward-looking buildout obligations. The Alternative Connect America Model ("A-CAM") I is scheduled to sunset at the end of 2026, and Revised A-CAM I and A-CAM II are scheduled to sunset at the end of 2028, absent further Commission action. Low Earth Orbit ("LEO") satellite broadband offerings have expanded, and the Commission is examining how the transition from legacy time-division multiplexing ("TDM") networks to all-Internet Protocol ("IP") infrastructure may affect network costs, capabilities, and the need for ongoing support. At the same time, Congress appropriated $42.45 billion for the Broadband Equity, Access, and Deployment ("BEAD") Program, and the Commission must account for locations subject to enforceable BEAD or other federal or state deployment commitments, including locations within the rate-of-return study areas covered by this proceeding.[1]

These changes call for evidence-based modernization that preserves support where it remains necessary and avoids automatic continuation where conditions have materially changed. The Commission should determine ongoing need using verified, location-specific evidence and should adopt a competitively neutral successor mechanism wherever support remains necessary.

INCOMPAS urges the Commission to adopt the following principles:

1. Complete an evidence-based distribution review before adopting a permanent successor mechanism. The Commission should first use existing FCC and Universal Service Administrative Company ("USAC") mapping, funding, performance-testing, and reporting data, supplementing that record with targeted information demonstrated to be necessary to determine location-level eligibility and appropriate support amounts. The review should

[1] *See Reforming the High-Cost Program for an All-IP Future; Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Support*, WC Docket Nos. 26-96 and 10-90, Notice of Proposed Rulemaking, FCC 26-35, paras. 1–18, 28–31, 44–45 (rel. May 21, 2026) (*NPRM*); Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 60102(b)(1), 135 Stat. 429, 1182–1207 (2021); 47 U.S.C. § 254(b)(2)–(3), (5), (e).

preserve sufficient and predictable support where the evidence demonstrates that it remains necessary to meet the Commission's universal service obligations.

2. Make competition a design principle. Participation in a legacy or expiring mechanism should not, by itself, determine eligibility for successor support. The Commission should recognize the value of existing network investment, demonstrated service, and continuity, as well as the cost and time required to construct new facilities. Those considerations should be evaluated through objective criteria, however, and should not create an automatic preference for an existing recipient. Any successor mechanism should be competitively neutral, open on equal terms to all qualified providers, and use competitive bidding wherever practicable.

3. Apply a technology-neutral, but not technology-blind, framework. The Commission should evaluate actual and sustainable performance, affordability, reliability, capacity, latency, resilience, and scalability over the support term rather than relying solely on technology labels or advertised availability. For any new deployment or service obligation, the Commission should establish 100/20 Mbps, the standard reflected in BEAD and Enhanced A-CAM, as the minimum initial performance requirement, not the long-term endpoint of a multiyear support mechanism.

These principles also advance the distribution-first approach that INCOMPAS urged in its September 2025 comments to the Congressional Universal Service Fund Working Group. Policymakers should determine where and how much support remains necessary after accounting for BEAD and other enforceable deployment commitments, unsubsidized competition, technology transitions, and the actual economics of modern networks before expanding USF contribution obligations. Once the Fund's actual needs are established, Congress and the Commission, acting within their respective statutory authority, should modernize the contribution base to include

Broadband Internet Access Service ("BIAS") revenues. INCOMPAS continues to oppose assessments on edge providers, cloud services, AI developers, online content and application providers, or undefined categories of "technology" companies because such assessments fail to recognize the substantial network investments made by these companies, would present substantial legal, jurisdictional, international trade, and administrative problems, create arbitrary distinctions among converging services, and distort competition.[2]

## II. THE COMMISSION SHOULD DETERMINE ONGOING NEED USING CURRENT EVIDENCE

### A. BEAD and Modern Network Economics Require an Evidence-Based Assessment of Ongoing Support

BEAD and the High-Cost Program serve related but distinct purposes. BEAD primarily addresses the upfront costs of deploying broadband infrastructure in unserved and underserved locations, while the High-Cost Program has historically supported deployment, maintenance, and the continued availability of service in rural and high-cost areas. A BEAD-funded network therefore does not automatically eliminate all future support needs. Universal service does not end when construction is complete, and where need is demonstrated, ongoing support should be sufficient and predictable to sustain reasonably comparable, affordable, and reliable service. At the same time, the Commission should not assume that historical support levels remain necessary after public funding finances new infrastructure and a provider accepts an enforceable obligation to serve the same locations.[3]

Modern broadband networks may also have materially different operating characteristics from legacy copper and DSL networks and other older access architectures. Available industry

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[2] *See* INCOMPAS, *Comments in Response to Universal Service Fund Working Group Request for Comment*, at 2, 8–11 (Sept. 15, 2025) (urging completion of distribution reform before contribution reform, supporting inclusion of Broadband Internet Access Service revenues in the contribution base, and opposing assessments on edge providers, cloud services, AI developers, and undefined technology companies).

[3] *See* Infrastructure Investment and Jobs Act § 60102(b), (h); *NPRM* paras. 17, 20, 23, 33–38; *Report on the Future of the Universal Service Fund*, WC Docket No. 21-476, Report, FCC 22-67, paras. 3, 44–46, 52 (rel. Aug. 15, 2022).

analysis indicates that fiber-to-the-home access networks can have lower access-network operating expenses than hybrid fiber-coaxial and DSL networks, including fewer maintenance events, truck rolls, powered network elements, and sources of network complexity. These findings do not establish that every rural fiber network can operate without support, nor do they capture all costs of serving sparsely populated areas. However, they do establish that the Commission should test legacy assumptions against actual network experience and the full economics of rural service, including customer density and adoption, transport, power, cybersecurity, workforce, shared network costs, debt service, and necessary replacement and upgrade investment.[4]

The mechanisms at issue also reflect different support methodologies. CAF BLS and HCLS are cost-based mechanisms tied to carrier revenue requirements and historical costs, while A-CAM I, Revised A-CAM I, and A-CAM II provide fixed support based on forward-looking cost models and were accompanied by defined deployment obligations and support terms. Since those mechanisms were adopted, the Commission has obtained substantially more granular information concerning deployment, competitive availability, public funding, performance, and compliance. The Broadband Serviceable Location Fabric, National Broadband Map, Broadband Funding Map, Broadband Data Collection, and program-specific deployment and performance records provide a materially stronger factual foundation for evaluating ongoing need than the Commission possessed when many existing support decisions were made. Historical participation, historical costs, and prior model results remain relevant, but none should be dispositive of eligibility for or the amount of successor support.[5]

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[4] *See* Fiber Broadband Association, *Access Network OpEx Analysis White Paper*, at 11–13 (2020) (comparing access-network operating expenses on a per-home-passed basis for fiber-to-the-home, hybrid fiber-coaxial, and DSL networks). The analysis addresses access-network operating expenses and does not purport to measure all costs of operating a rural broadband provider.

[5] *See NPRM* paras. 7–16, 30–31, 36–40; 47 CFR §§ 54.313(a)(6), 54.316, 54.320(d) (distinguishing legacy cost-based CAF BLS and HCLS from model-based A-CAM support and describing available deployment, mapping, reporting, performance, and compliance information).

The NTCA/Cartesian study cited in the NPRM further illustrates the importance of testing support assumptions against current financial and operating evidence. The study reports Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") margins for carriers receiving High-Cost support and models how those margins may change under a reduction in support. INCOMPAS does not propose using EBITDA, or any single financial measure, as a universal benchmark. A positive EBITDA margin does not by itself establish that a carrier can fund debt service, replacement capital, or necessary network upgrades without support. Rather, the study demonstrates that the relationship among support, revenues, operating costs, cash flow, and continuing investment can be examined empirically. The Commission should use current financial and operating evidence to determine whether support remains necessary to sustain qualifying service at reasonably comparable and affordable rates and, where support is needed, the amount that is sufficient but no greater than necessary.[6]

### B. The Commission Should Use Existing Data First and Limit Any New Collection to Information Necessary to Determine Support Eligibility and Amount

Having established that public funding, competition, network modernization, and improved information have changed the factual basis for existing support assumptions, the Commission should conduct a focused distribution review before adopting a permanent successor High-Cost mechanism. That review should begin with existing information available to the Commission and USAC: the Broadband Serviceable Location Fabric and National Broadband Map; the Broadband Funding Map; Broadband Data Collection availability filings; FCC Form 481 and section 54.316 reporting; program authorization and disbursement records; High-Cost Universal Broadband ("HUBB") location data and applicable deployment-milestone records; performance-testing results; and enforcement, audit, and recovery records. The Commission should supplement those sources

[6] *See NPRM* para. 23 & n.50 (citing NTCA–The Rural Broadband Association & Cartesian, *Universal Service—Sustainability and Business Cases for Rural Connectivity* (Mar. 2026)).

with federal and state award information where necessary to address material gaps or limitations in the Broadband Funding Map.[7]

The Commission should use that record to determine, at the broadband-serviceable-location level wherever practicable: (1) what qualifying service is reported as available; (2) whether an unsubsidized competitor reports qualifying service at the location; (3) whether another provider has an enforceable federal or state commitment to serve; (4) what public support has been awarded; (5) what deployment, service, maintenance, and performance obligations attach to that support; and (6) whether ongoing support remains necessary to preserve reasonably comparable and affordable service. Eligibility and competitive overlap should be evaluated at the most detailed level practicable, while the calculation of an appropriate support amount should permit transparent and economically reasonable allocation of genuinely shared or network-wide costs. Availability, overlap, funding, and support determinations should be subject to notice, verification, and a meaningful opportunity for affected providers to submit location-specific evidence.[8]

To fill any material gaps, supplemental collection should be targeted, standardized, and limited to information directly relevant to support eligibility or amount. The Commission may require information concerning actual and prudent operating and maintenance expenses; customer revenues and adoption; shared network costs; transport, power, cybersecurity, and workforce expenses; debt service associated with supported infrastructure; necessary replacement and upgrade investment; network technology and architecture; competitive conditions; and the documented use

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[7] *See NPRM* paras. 16, 30, 36–40; 47 CFR §§ 54.313, 54.316, 54.320; Universal Service Administrative Co., Submit Data in the HUBB, https://www.usac.org/high-cost/annual-requirements/submit-data-in-the-hubb/ (last visited Aug. 2, 2026); Universal Service Administrative Co., Performance Measures Testing, https://www.usac.org/high-cost/annual-requirements/performance-measures-testing/ (last visited Aug. 2, 2026); Universal Service Administrative Co., High-Cost Funding Disbursement Search, https://opendata.usac.org/High-Cost/High-Cost-Funding-Disbursement-Search/7s45-q7hg (last visited Aug. 2, 2026).

[8] *See* 47 U.S.C. § 254(b)(3), (b)(5), (e); *NPRM* paras. 20, 31–40; *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17766–67, para. 281 (2011) (*USF/ICC Transformation Order*); *Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program*, Third Report and Order, 36 FCC Rcd 1126, paras. 70–96, 126–32 (2021).

of existing support and likely consequences of reducing or withdrawing it. These factors should be evaluated together rather than treating any single financial measure as dispositive. The Commission should avoid duplicative reporting, make maximum use of existing submissions, protect competitively sensitive information from inappropriate public disclosure, and account for the compliance resources of small providers.[9]

## III. COMPETITION AND ENFORCEABLE COMMITMENTS SHOULD INFORM WHERE CONTINUING SUPPORT REMAINS NECESSARY

### A. Eligibility Should Turn on Granular, Verified Overlap and Demonstrated Ongoing Need

Current participation in CAF BLS, HCLS, or a sunsetting A-CAM mechanism should neither guarantee nor preclude eligibility for successor support. Those mechanisms were established under different technological, competitive, mapping, and funding conditions, and historical participation does not establish that the same provider, locations, or support amounts continue to require assistance. The relevant inquiry is whether support remains necessary after accounting for current service availability, enforceable deployment commitments, public funding, affordability, reliability, performance, and the recipient's continuing service obligations. That inquiry should recognize the value of existing infrastructure, demonstrated service, and continuity, as well as the cost and time required to construct replacement facilities. These considerations should be evaluated through objective evidence and should not make historical participation dispositive. For operational support, that requires a demonstrated market failure: insufficient end-user revenues to cover the prudent ongoing costs of qualifying service at reasonably comparable rates.[10]

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[9] *See* 47 U.S.C. §§ 218–20, 254(b)(5), 254(e), 403; *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, 8802, para. 47 (1997) ("Support mechanisms should be sufficient but not excessive."); *Alenco* Commc'ns, Inc. v. FCC, 201 F.3d 608, 620 (5th Cir. 2000); 47 CFR § 0.459; 5 CFR § 1320.5(d)(1)(i)–(iii), (d)(2)(viii).

[10] *See NPRM* paras. 20–28, 31–40. *See also* INCOMPAS Reply Comments, WC Docket No. 10-90 et al., at 6–8 (filed Nov. 21, 2023) (urging that operational support be limited to discrete areas where insufficient end-user revenues create a market failure).

Once a provider accepts public funding and an enforceable commitment to deploy and offer qualifying service at a location, the Commission should avoid providing additional High-Cost support for the same deployment or service obligation absent a separate showing of need. Continued support for a distinct purpose, such as demonstrated maintenance, affordability, or reasonably allocated shared-network costs, should require an evidence-based showing that the need is not already funded and that support remains necessary to preserve reasonably comparable and affordable service. At a minimum, the Commission should adjust CAF BLS calculations or associated obligations, as appropriate, to prevent duplicative recovery for deployment or service obligations already funded through BEAD or another public program,[11] while accounting for distinct and demonstrated costs of maintaining and operating existing facilities.

Where the record demonstrates that support remains necessary, any successor mechanism should be competitively neutral and open on equal terms to all qualified providers. Consistent with its prior advocacy, INCOMPAS urges the Commission to use competitive bidding wherever practicable to identify the provider that can satisfy the defined deployment, service, affordability, maintenance, performance, and public interest obligations at the lowest support level consistent with those requirements. In comparing qualified proposals, the Commission may consider the extent to which existing facilities, demonstrated operating experience, and readiness to serve reduce costs, deployment time, and transition risks. Those factors should be applied objectively and should not create an automatic preference for an incumbent support recipient. Competition is an important indicator of whether and at what level continuing support remains necessary. The Commission estimates that unsubsidized competitors, excluding satellite providers, report service of at least 100/20 Mbps to 58 percent of the broadband-serviceable locations in the areas covered by this

[11] *See* Infrastructure Investment and Jobs Act § 60102(b), (h); *Report on the Future of the Universal Service Fund*, FCC 22-67, para. 3; *NPRM* paras. 20, 23, 33–38; 47 U.S.C. § 254(b)(3), (b)(5), (e). *See also* INCOMPAS Reply Comments, WC Docket No. 10-90 et al., at 4–5 (filed Oct. 2, 2023) (supporting elimination of CAF BLS where another federal program funds broadband deployment).

proceeding, including a 46 percent overlap with locations served by High-Cost recipients. Where an unsubsidized provider offers qualifying service, or another provider has an enforceable federal or state commitment to serve, the Commission should evaluate whether and at what level support to the existing recipient remains necessary. That evaluation should consider the nature, scope, timing, enforceability, affordability, reliability, and performance of the competitive service or commitment and should reduce, eliminate, or phase down support to the extent it finances an obligation already being satisfied without High-Cost support or covered by another enforceable funding commitment. Overlapping service or funding should not, standing alone, establish that every form of ongoing support is unnecessary; any continued support should be confined to distinct and demonstrated universal service needs that are not otherwise funded.[12]

Because mapping and funding information may be incomplete, change over time, and fail to show affordability or actual performance, affected providers should receive notice and a meaningful opportunity to challenge overlap or support determinations with location-specific evidence. Any material reduction should include a defined transition that protects consumers from service disruption or unreasonable rate increases and gives affected providers a reasonable opportunity to adjust. Eligibility should be reconsidered, and support recalibrated through a defined review process, when verified evidence shows that qualifying, reasonably comparable, and affordable service is no longer available; an enforceable commitment is no longer operative; or other material circumstances show that support is again necessary to preserve and advance universal service.

### B. Successor Support Should Be Competitively Neutral and Awarded Competitively Wherever Practicable

Where the record demonstrates that support remains necessary, any successor mechanism should be competitively neutral and open on equal terms to all qualified providers. Consistent with its prior advocacy, INCOMPAS urges the Commission to use competitive bidding wherever

[12] *See NPRM* para. 31 & nn.58–61.

practicable to identify the provider that can satisfy the defined deployment, service, affordability, maintenance, performance, and public-interest obligations at the lowest support level consistent with those requirements.[13]

Applicants should demonstrate the technical, operational, legal, and financial capability to meet their obligations throughout the support term, as well as a credible record of deploying and operating broadband networks. Qualification rules should protect against default and underperformance without requiring smaller providers to divert disproportionate capital from network deployment. The Commission also should publish provider-level support amounts, supported locations, overlap determinations, performance results, enforcement actions, and support recoveries in accessible formats, subject to appropriate protection of confidential, proprietary, and competitively sensitive information.[14]

## IV. A SUCCESSOR MECHANISM SHOULD BE TECHNOLOGY-NEUTRAL, PERFORMANCE-BASED, AND FORWARD-LOOKING

### A. Technology Neutrality Does Not Require Technology Blindness

INCOMPAS supports a technology-neutral High-Cost policy that focuses on consumer outcomes rather than technology labels or network architecture. Different technologies may be best suited for different locations, and fiber, cable, fixed wireless, and satellite may each satisfy universal-service objectives when they meet common, objective service, performance, affordability, and public-interest requirements.[15]

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[13] *See* INCOMPAS Comments, WC Docket Nos. 19-126 and 10-90, at 7–8 (filed Sept. 20, 2019) (explaining that competition drives efficiencies and supporting competitive bidding for High-Cost support); *see also NPRM* paras. 20–28.

[14] *See Rural Digital Opportunity Fund Phase I Auction Scheduled for October 29, 2020; Notice and Filing Requirements and Other Procedures for Auction 904*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 6077, 6112, 6116, paras. 97, 108 (WCB/OEA 2020); 47 CFR § 0.459; Universal Service Administrative Co., High-Cost Funding Disbursement Search, https://opendata.usac.org/High-Cost/High-Cost-Funding-Disbursement-Search/7s45-q7hg (last visited Aug. 2, 2026).

[15] *See USF/ICC Transformation Order*, 26 FCC Rcd at 17673–74, para. 18.

Technology neutrality does not require the Commission to disregard material differences in actual performance, shared capacity, congestion, upgrade paths, resilience, installation requirements, customer costs, scalability, or a provider's enforceable duty to serve. Mapping or advertised availability therefore should not, by itself, establish that technologies are functionally equivalent or that support is unnecessary.[16]

### B. LEO Satellite May Be Appropriate for Some Locations but Should Be Evaluated on Actual Performance

Low Earth Orbit ("LEO") satellite service is an increasingly capable option for some of the Nation's hardest-to-serve locations. The Commission reports LEO service of at least 100/20 Mbps is mapped as available to nearly all locations in the relevant study areas that lack terrestrial service at that speed. For genuinely cost-prohibitive locations, LEO satellite may offer the most practical and efficient means of providing qualifying service.[17]

The Commission should not, however, categorically eliminate terrestrial obligations or support based solely on advertised satellite availability. It should evaluate subscribed and delivered speeds, latency, capacity, congestion, reliability, resilience, installation and equipment costs, recurring prices, service limitations, and scalability throughout the support term. The appropriate solution is the technology that can reliably and affordably satisfy the defined obligations over time.[18]

### C. Performance Standards Should Remain Reasonably Comparable Over the Support Term

The NPRM appropriately asks what deployment and performance obligations should accompany ongoing support and what upload, latency, capacity, and reliability levels are necessary for modern residential, business, and community-anchor use. For any new deployment or service

[16] *See NPRM* paras. 37–39 (seeking comment on material technology differences, enforceable duties to serve, pricing, affordability, and the snapshot nature of availability data).

[17] *See NPRM* paras. 18, 27, 31 & nn.45–46, 58–61.

[18] *See NPRM* paras. 41–43; 47 U.S.C. § 254(b)(3).

obligation, the 100/20 Mbps requirements reflected in Enhanced A-CAM and BEAD should serve as a minimum initial floor, not the endpoint of a multiyear support mechanism. Supported service should remain reasonably comparable to urban offerings throughout the support term and should be robust, reliable, resilient, scalable, and capable of meeting evolving demand.[19]

In addition to advertised download speed, the Commission should consider upload capacity, latency, reliability, resilience, packet loss, congestion, available capacity, installation time, data allowances, and sustained real-world performance. Performance obligations should be verified through objective network testing and reporting rather than advertised offerings alone. The Commission also should seek input from users of supported networks, including healthcare providers, educators, agricultural technology developers, businesses, application providers, and community anchor institutions, regarding the performance characteristics necessary for the services they use.[20]

### D. Adoption Should Inform Program Evaluation but Should Not Determine Eligibility

Adoption information may help the Commission evaluate affordability, network sustainability, and program effectiveness, but it should not operate as a stand-alone eligibility condition or automatic trigger withholding support. Providers can influence adoption through pricing, marketing, and outreach, but they do not control every factor affecting household subscription decisions, including device availability, digital literacy, demographic characteristics, and household preferences. Low adoption may warrant further inquiry into affordability, performance, or provider outreach, but it does not by itself establish that support is unnecessary. The relevant inquiry is whether qualifying service can be made available, reliable, and sustainable at reasonably comparable and affordable rates, not whether a provider has achieved a uniform take-

[19] *See NPRM* paras. 24, 42; 47 CFR § 54.308(a)(3); *Enhanced A-CAM Order*, 38 FCC Rcd at 7058–60, paras. 37–42; Infrastructure Investment and Jobs Act § 60102(h)(4)(A)(i).

[20] *See NPRM* paras. 24, 37–43; 47 CFR §§ 54.313(a)(6), 54.320(d).

rate target unrelated to local conditions. Providers should remain accountable for making qualifying service available, satisfying price and performance obligations, maintaining the network, and undertaking reasonable marketing and outreach.[21]

### E. Cybersecurity Obligations Should Be Proportionate and Coordinated

The Commission should carry forward appropriate cybersecurity and supply-chain risk-management obligations for recipients of ongoing support. Those obligations should be technology-neutral, proportionate to the supported service and associated risks, and coordinated with other federal requirements to ensure they improve network security and resilience without imposing unnecessary duplicative compliance burdens.[22]

## V. ALL-IP MODERNIZATION MUST PRESERVE COMPETITION AND EXISTING FUNCTIONALITY

INCOMPAS supports the Commission's network-modernization efforts and the transition from legacy TDM networks to modern IP-based communications infrastructure.[23] The competitive industry has made substantial investments in IP-capable infrastructure, yet incumbent local exchange carriers ("ILECs") continue to require competitors to rely on TDM-based trunk-side interconnection, including for mission-critical 911 services.[24] All-IP networks can provide greater functionality, flexibility, efficiency, and innovation.[25] The Commission should appropriately

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[21] *See NPRM* para. 26; INCOMPAS Comments, WC Docket Nos. 19-126 and 10-90, at 14 (filed Sept. 20, 2019) (opposing subscription requirements for new fixed networks and explaining that a 70 percent requirement may be unrealistic and discourage participation).

[22] *See* 47 CFR § 54.308(g).

[23] *See* Comments of INCOMPAS, WC Docket Nos. 25-209 and 25-208, at 1–2, 14–15 (filed Sept. 29, 2025) *("INCOMPAS Network Modernization Comments");* Reply Comments of INCOMPAS, WC Docket Nos. 25-304, 25-208, and 17-97, at 4–5, 35–36 (filed Feb. 19, 2026) *("INCOMPAS IP Interconnection Reply Comments").*

[24] *See INCOMPAS Network Modernization Comments* at 3–4 (describing competitive providers' continued reliance on TDM interconnection at the tandem, end-office, and selective-router levels, including for 911 traffic); *Reducing Barriers to Network Improvements and Service Changes; Accelerating Network Modernization*, WC Docket Nos. 25-209 and 25-208, Report and Order, FCC 26-19, para. 89 & n.296 (rel. Mar. 27, 2026) ("*2026 Network Modernization Order*") (discussing INCOMPAS's evidence concerning continued reliance on TDM interconnection and 911 facilities).

[25] *See Technology Transitions et al.*, GN Docket No. 13-5 et al., Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 30 FCC Rcd 9372, 9373–75, paras. 1–3 (2015) (*2015 Technology Transitions Order*); *2026 Network Modernization Order* paras. 1–4.

sequence the retirement of legacy facilities that are no longer necessary, ensuring that viable alternatives are available and that consumers and competitive providers retain reasonably comparable functionality and competitive opportunities.[26] Once the Commission establishes a transition framework, the Commission should examine the High-Cost Program to identify provisions that no longer serve the public interest while preserving safeguards that remain necessary for service continuity, interconnection, access, and competition.[27]

High-Cost reform should not become a vehicle for reducing competition or prejudging rights and obligations governed by other statutory provisions and Commission proceedings. The relevant question is not merely whether the underlying technology has changed, but whether consumers and competitors will retain reasonably comparable functionality and competitive opportunities after the transition. Rules that continue to protect interconnection, traffic exchange, discontinuance, copper retirement, wholesale access, service continuity, competition, or functional equivalence should not be discarded solely because network architecture has evolved. Nothing adopted in this proceeding should eliminate or weaken rights and obligations under sections 251 and 252 or prejudge the Commission's pending interconnection and technology-transition proceedings.[28] Instead, the

[26] *See 2015 Technology Transitions Order*, 30 FCC Rcd at 9381–82, paras. 12–13, 9452–53, paras. 131–32, 9480–82, paras. 153–54 (addressing the preservation of service continuity, competitive opportunities, and reasonably comparable wholesale access during technology transitions); *2026 Network Modernization Order* paras. 20–24, 67–73, 90–91 (retaining safeguards concerning interoperability, 911 continuity, interconnection trunks, traffic exchange, and replacement services).

[27] *See* 47 U.S.C. §§ 214, 251–252; 47 CFR §§ 51.305, 51.321, 51.323, 51.325–51.335, 63.60–63.71; *Advancing IP Interconnection; Accelerating Network Modernization; Call Authentication Trust Anchor*, WC Docket Nos. 25-304, 25-208, and 17-97, Notice of Proposed Rulemaking, FCC 25-73, paras. 29–30, 39–41, 44–65 (rel. Oct. 29, 2025) ("*IP Interconnection NPRM"*); *INCOMPAS IP Interconnection Reply Comments* at 14–36 (opposing elimination of existing interconnection and collocation protections without an enforceable IP-interconnection framework and safeguards for competition and public safety).

[28] *See* 47 U.S.C. §§ 214, 251–252; 47 CFR §§ 51.305, 51.321, 51.323, 51.325–51.335, 63.60–63.71; *Advancing IP Interconnection; Accelerating Network Modernization; Call Authentication Trust Anchor*, WC Docket Nos. 25-304, 25-208, and 17-97, Notice of Proposed Rulemaking, FCC 25-73, paras. 39–41, 44–65 (rel. Oct. 29, 2025) (*IP Interconnection NPRM*); *INCOMPAS IP Interconnection Reply* at 14–36 (opposing elimination of existing interconnection and collocation protections without an enforceable IP-interconnection framework and safeguards for competition and public safety).

Commission should coordinate High-Cost modernization with those proceedings so that support policy and competitive safeguards evolve together.[29]

## VI. CONCLUSION

Policymakers should complete an evidence-based distribution review before expanding USF contribution obligations. In this proceeding, the Commission should use existing location-level, funding, performance, and compliance information first and collect only targeted additional information necessary to determine support eligibility and amount. Competition and enforceable funding commitments should inform whether and at what level support should continue, while sufficient and predictable support should remain available where current evidence demonstrates that it is necessary to preserve reasonably comparable, affordable, and reliable service.

Any successor mechanism should be competitively neutral, open to all qualified providers, and awarded through competitive bidding wherever practicable. It should evaluate technologies based on actual performance and affordability; treat 100/20 Mbps as a minimum initial floor for new deployment or service obligations; protect consumers and competition during the transition to all-IP networks; and provide defined support terms with periodic, evidence-based review.

INCOMPAS appreciates the Commission's consideration of these comments and looks forward to continued participation in this proceeding.

Respectfully submitted,

/s/ *Staci L. Pies*

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[29] *See INCOMPAS IP Interconnection Reply* at 4–5, 16–25, 30–36 (urging the Commission to preserve existing protections and establish an enforceable IP-interconnection framework before permitting retirement of facilities needed for interconnection and 911 service); *INCOMPAS Network Modernization Comments* at 1–8, 14–15; *2026 Network Modernization Order* paras. 20–24, 67–73, 89–91.

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