Advocates for Rural Broadband
Paul Kelly
President
Kelly Worthington
Executive Vice President

February 4, 2016

Filed Via ECFS
Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

On Tuesday, February 2, 2016, Bob DeBroux of TDS Telecom; Mark Gailey of Totah Communications (via telephone); and Derrick Owens and Gerry Duffy representing WTA – Advocates for Rural Broadband ("WTA") met with Stephanie Weiner, Senior Legal Advisor, Wireline to Chairman Tom Wheeler; Rebekah Goodheart, Legal Advisor, Wireline to Commissioner Mignon Clyburn; Amy Bender, Legal Advisor, Wireline to Commissioner Michael O'Rielly; and Carol Mattey, Deputy Bureau Chief of the Wireline Competition Bureau to discuss the details of, and alternatives to, the Commission's contemplated rules and procedures for restricting high-cost support in areas determined to contain a "qualifying competitor."

WTA expressed its strong preference that only future new investment in areas served by a "qualifying competitor" should be subject to the contemplated rules and procedures. This could be accomplished without bifurcation in several ways – for example, by treating such new investment in a manner similar to the way that investment paid for by stimulus grants and broadband experiment grants has been treated, or by treating such investment like investment in nonregulated competitive local exchange carrier ("CLEC") facilities.. It would be equitable and effective public policy not to reduce or eliminate high-cost support for existing investments because many such investments were made under the current rules before a competitor entered the market and because reduction of the high-cost support flows upon which the loans for such investments were based will not only disrupt repayment of such loans but also will discourage lenders from making future loans to rural telephone companies for broadband upgrades. Moreover, competitors in areas served by rural telephone companies ("RLECs") knew that these RLECs were getting high-cost support when they entered the markets.

The remainder of the meeting was spent discussing general features of potential competitive overlap rules and procedures. A significant portion of the meeting was devoted to a discussion of the service and quality requirements that an entity would have to meet in order to be deemed to be a "qualified competitor." If an RLEC is going to lose high-cost support in an area and thereby be discouraged or impeded from investing further in that area, it is essential that the alleged "unsubsidized competitor" be able to provide the residents of the area with service that is of equivalent quality, cost and reliability. WTA has attached a listing of the standards that a "qualified competitor" should be required to meet before an existing RLEC is deprived of high-cost support within portions of its service area.

WTA reiterates its interest in working with the Commission and its staff to finalize and implement universal service reforms that enable its members to continue to invest in and upgrade their networks and to provide their rural customers with quality, affordable and reasonably comparable voice and broadband services.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceeding.

Respectfully submitted,

/s/ Gerard J. Duffy

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cc: Stephanie Weiner
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Amy Bender
Carol Mattey

Attachment

<u>Requirements of a "Qualifying Carrier</u>

WTA proposes that an entity claiming to be an "unsubsidized competitor" be required to submit the following information (via officer certification and supporting documentary evidence): to verify its ability to deliver the requisite levels of fixed terrestrial quality voice and broadband to the requisite percentage of customer locations in each applicable Census Block (or alternative specified geographic area):

a. Availability of fixed terrestrial facilities-based broadband at least at 10/1 speeds to at least the requisite percentage of the customer locations in the relevant census block(s) or alternative geographic area(s), including provision by the competitor of address or other geocoding information sufficient for the RLEC to be able to identify each location that comprises the asserted percentage coverage (*i.e.*, data with respect to both the locations served and the total number of locations that form the basis of the assertion);

b. Availability of fixed terrestrial facilities-based voice service (including 911 or E911 capabilities and CALEA compliance) to every customer location in the relevant census block(s) or alternative geographic area(s), including: (i) an interconnection agreement with the affected RLEC; (ii) compliance with applicable Section 251 obligations; (iii) the offering of Lifeline service to eligible consumers; and (iv) the ability to port telephone numbers to and from the RLEC;

c. The ability to deliver such voice and broadband service to the identified customer locations in the census block(s) or alternative geographic area(s) within seven (7) to ten (10) business days of a service request without an extraordinary commitment of resources;

d. Ownership (or lease from an entity other than the RLEC) of all facilities needed to serve the identified customer locations in the relevant census block(s) or alternative geographic area(s);

e. Verification of no use of other federal or State support (including, but not limited to, USF support other than Lifeline support) for investment or operations in the relevant census block(s) or alternative geographic area(s);

f. Offering of fixed voice and broadband separately, without requiring consumers to purchase services in a "bundle";

g. Rates for fixed terrestrial facilities-based voice and broadband at or below established reasonable comparability benchmarks;

h. Technical confirmation that broadband latency is suitable for real time applications, including Voice over Internet Protocol;

i. Broadband usage capacity that is reasonably comparable to offerings in urban areas (*e.g.,* minimum 100GB);

j. Provision of a broadband speed at least as high as the highest broadband speed offered by the subject RLEC in the relevant census block(s) or alternative geographic area(s) (WTA understands that the Commission does not want to deal with multiple broadband speeds in various geographic areas when making "qualified competitor" determinations. However, consideration of comparable broadband speeds will preclude situations where, for example, an RLEC that has deployed fiber-to-the-home

("FTTH") and can provide virtually unlimited bandwidth and advanced services to its rural customers for the foreseeable future is forced to curtail or discontinue services because of loss of substantial support due to a competitor that barely provides a 10/1 service);

k. Provision of the required level of service and minimum required broadband speed on a 24 hours per day, 365 days per year basis (except during situations where severe weather and similar uncontrollable disasters cause service on substantial portions of a network to be interrupted);

l. No fee or charge may be assessed to prospective customers for location visits or other preparatory work to determine whether the purported competitor can provide the required level of service and minimum required broadband speed to their residences or businesses (even if all or a portion of the fee is credited to those who ultimately subscribe to the service); and

m. Compliance with state service quality and other regulatory requirements applicable to the voice service of the RLEC.