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January 24, 2018

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

**Re: Notice of *Ex Parte*
Connect America Fund, WC Docket No. 10-90
Hurricane Response, PS Docket No. 17-344**

Dear Ms. Dortch:

On January 22, 2018, Sandra Torres, President of the Telecommunications Regulatory Board of Puerto Rico (“Board”), Alexandra Fernandez, Associate Member of the Board, Frances Rodríguez, Press Secretary for President Torres, and Douglas Meredith, Economic Advisor to the Board (collectively, “Board Representatives”), met separately with Chairman Ajit V. Pai, Michael Carowitz and Zenji Nakazawa of the Chairman’s office, Commissioner Jessica Rosenworcel and Travis Litman of Commissioner Rosenworcel’s office, Commissioner Brendan Carr and Jamie Susskind of Commissioner Carr’s office, Commissioner Michael O’Rielly and Amy Bender of Commissioner O’Rielly’s office. On January 23, 2018, the Board Representatives met with Commissioner Mignon L. Clyburn and Louis Peraertz of Commissioner Clyburn’s office.

In each meeting the Board Representatives shared the attached information on restoring and advancing Puerto Rico communications networks in the wake of the devastating damage caused by hurricanes Irma and Maria in the 2017 hurricane season. Still, months after the landfall of Maria in Puerto Rico, electrical power, telecommunications infrastructure and services, and basic business and government services face serious headwinds in restoring operations to pre-hurricane levels.

The Board Representatives thanked the Federal Communications Commission (“FCC”) for its support to restore basic infrastructure and services to end-user customers. For example, the advance of frozen support to eligible telecommunications carriers operating in Puerto Rico and permitting for a limited time the use of these funds throughout the island has helped the restoration of telecommunications services.

The Board Representatives also recommended the Board and the FCC work together to provide a mechanism to direct needed support to rural areas of Puerto Rico where the cost is very high and the need for reliable connectivity just as necessary as other more populated areas. The FCC’s “presumptively uncompetitive” designation it adopted in October enabled eligible telecommunications carriers to use their frozen universal service fund

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support in any area of Puerto Rico regardless of whether the area was identified earlier as competitive (FCC 17-129). This helped the recovery effort in Puerto Rico generally. However, one consequence of this presumption is that it disadvantages rural areas in the long run because limited support will have been spent in more populated urban areas—leaving less universal service fund support for rural areas.

The Board Representatives offered the FCC critical on-the-ground support and made recommendations in several key recovery areas.

Please contact the undersigned with any questions.

Respectfully submitted,

/s/ Douglas Meredith

Douglas Meredith
Economic Advisor to the
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Board of Puerto Rico
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cc: Chairman Ajit V. Pai
Commissioner Mignon L. Clyburn
Commissioner Michael O’Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Michael Carowitz, Special Counsel, Office of Chairman Pai
Zenji Nakazawa, Legal Advisor, Office of Chairman Pai
Louis Peraertz, Senior Legal Advisor, Office of Commissioner Clyburn
Amy Bender, Legal Advisor, Wireline, Office of Commissioner O’Rielly
Jamie Susskind, Chief of Staff, Office of Commissioner Carr
Travis Litman, Chief of Staff, Office of Commissioner Rosenworcel

Attachment



Restoring and Advancing Puerto Rico Communications Networks

La Junta de Reglamentadora de Telecomunicaciones de Puerto Rico
at the Federal Communications Commission
Washington, DC
January 22-23, 2018

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Mission of the Board



- Promote fair and equitable **competition** among the companies that offer telecommunications and cable television services, to guarantee to all the citizens of Puerto Rico the **availability** and enjoyment of said services at a reasonable cost; promote and foster the **economic development** of the Commonwealth and guarantee telecommunications and cable television services of the highest **quality**

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Irma and Maria



- Thank you for your support for Puerto Rico and the U.S. Virgin Islands
- The two-punch devastation brought about by Irma and Maria has been deeply felt by everyone in Puerto Rico
- The Board applauds post-incentive auction transition to advance broadcasting of TV stations
- Similarly, the Board supports the advanced release of federal USF fund disbursements (\$76M of frozen support to be used in rebuilding infrastructure)

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Recovery Update



- Power Recovery (Baseline=Pre-Hurricanes)
 - 84.5% of generation
 - 63.5% of clients/customers
- Telecommunications status
 - Wireless tower restoration: 92%
 - Wireline service restoration: 67%
 - The Board has received 535 calls and complaints about outages
- Government services
 - Mostly open but many agencies are operating from alternate sites
- Basic services
 - Water: 93%
 - Supermarkets: 92%
 - Electronic Benefit Transfers: 77%
 - Banks: 89%
 - Gas Stations: 88%
 - Emergency Shelters: 15 still operating

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Recovery Challenges



- Board offers its support to the FCC in its review of the “presumptively unserved” declaration in October Order (FCC 17-129 at 12)
- Allowing PRTC to use support for urban area restoration disadvantages rural areas in the long run because limited support will have been spent
- Board’s inability to access confidential FCC filings by carriers impairs Board’s ability to assist the FCC with its observations and input (*e.g.*, DIRS reporting)
- Board is uniquely positioned in San Juan to assist coordinating restoration efforts in the U.S. Virgin Islands and offers its support to the FCC

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Creative Solutions



- To advance incentives for infrastructure in rural Puerto Rico areas, the Board suggests the FCC jointly examine the development of a targeted federal support fund for rural Puerto Rico
- This fund would be a “rural insular” program designed to advance broadband capabilities in rural areas of Puerto Rico where there is no incentive to invest in infrastructure because the economics of the area do not provide adequate return on carrier investments, coupled with a decrease in population and money spent on power generators to keep infrastructure working
- We seek help to build on the restoration efforts to connect in the longer-term all remaining unserved communities and customers, and provide resiliency to those already served

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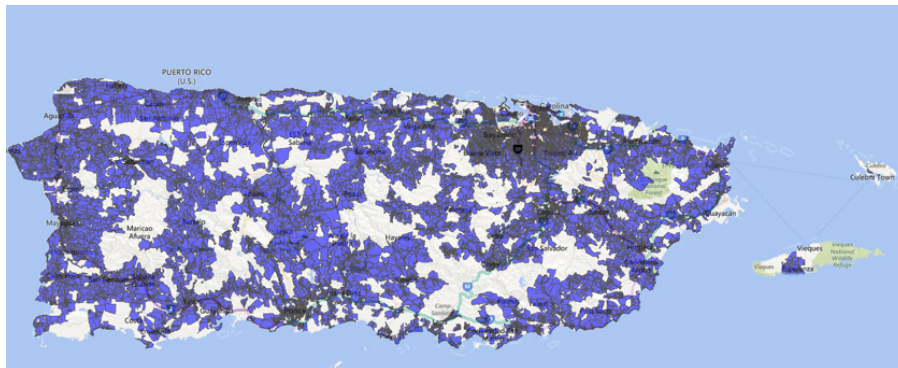
Steps Forward



- Insufficient to have as public policy the goal to restore rural Puerto Rico to the level of infrastructure before Irma and Maria because it was already underserved
 - There are many unserved customers and communities throughout the rural areas of Puerto Rico
- Since 2017, Puerto Rico faces a dire economic situation with a \$74B deficit that is partly due to the disparity of federal funds received in comparison to the mainland—particularly in Medicare, Medicaid, and Social Security
- A population in poverty that is highest in the nation
- Rural areas of Puerto Rico need investment infrastructure incentives beyond what is provided generally or in urban areas to advance the deployment of needed broadband facilities

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Broadband Availability DSL Wireline at 16/1Mbps



FCC Form 477 as of December 31, 2016

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Advancement of Infrastructure



- Board is committed to working tirelessly at recovery and advancement of national broadband objectives
- Board is unable to advance service in Puerto Rico without support from the FCC
- Rural portions of insular areas of the nation need targeted incentives for carrier investment

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Thank You

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