

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Connect America Fund Phase II Auction)	AU Docket No. 17-182
)	
Connect America Fund)	WC Docket No. 10-90
)	
)	

REPLY COMMENTS OF GEOLINKS

California Internet, L.P. DBA GeoLinks (“GeoLinks” or the “Company”) submits these reply comments in response to comments filed on the Public Notice issued August 4, 2017 in the aforementioned dockets.

I. INTRODUCTION AND SUMMARY

GeoLinks is proud to service the largest coverage area of any single fixed wireless Internet service provider in the state the California. As the Company expands, it strives to reach unserved and rural areas within California and beyond, including schools, libraries and residential areas. GeoLinks provides these reply comments in response to comments filed on the proposed procedures to be used in the Connect America Fund II Auction (“Phase II Auction”) and to emphasize the Company’s goal to promote robust broadband deployment in unserved and rural areas across the United States.

II. DISCUSSION

A. The Commission Should Craft a Straightforward Process for the Phase II Auction That Encourages Participation from Small and Mid-Sized Service Providers

GeoLinks commends the Commission on its efforts to develop rules for the pre-auction process for the Phase II Auction. The Company believes that the Phase II Auction has the potential to ensure broadband deployment to some of the most remote areas of the country and further the Commission’s goals of connecting rural America to highspeed broadband access. However, GeoLinks agrees with the American Cable Association (“ACA”) that aspects of the

auction processes proposed in the Public Notice, although potentially sound in some ways, may have the effect of turning off many serious bidders and enabling only larger interests to win bids at higher bid amounts.¹ To avoid this outcome, the Commission must develop pre-auction rules that encourage “vigorous bidding by multiple providers, thereby driving prices lower to efficient levels.”²

i. The Proposed Financial Qualifications Metrics Posed in the Public Notice Will Not Promote Robust Bidding in the Phase II Auction

The Public Notice proposes a five-point financial qualification assessment scale to help staff determine whether an applicant satisfactorily demonstrates its financial qualifications prior to the Phase II Auction. Specifically, the Public Notice explains that an applicant with a score of less than three points on this scale “would warrant a more in-depth review of the full set of financial statements submitted with the short-form application, as well as other information, to determine whether the application is qualified to bid the Phase II auction.”³ While GeoLinks agrees with commenters that the Commission is wise to seek to ensure that an applicant is financially qualified *prior* to participating in the auction process, GeoLinks echoes the concern of ITTA – The Voice of America’s Broadband Providers (“ITTA”) that the Commission’s current proposal is “overkill with respect to companies that have provided voice and/or broadband services for at least two years.”⁴ GeoLinks urges the Commission to recognize that these financial qualification metrics, as proposed, will preclude many small to mid-sized wireless broadband providers from bidding on Phase II Auction areas – providers that are well suited to serve far-reaching rural areas, generally at a lower cost than traditional, large providers.

As an initial matter, GeoLinks agrees with ITTA’s assessment that providers of telecommunications infrastructure routinely leverage debt to fund significant capital expenditures to expand and upgrade networks.⁵ For this reason, most telecommunications

¹ Comments of American Cable Association, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017) (“ACA Comments”), at 5.

² See ACA Comments at 6.

³ Public Notice at para. 58.

⁴ Comments of ITTA – The Voice of America’s Broadband Providers, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017) (“ITTA Comments”), at 2.

⁵ ITTA Comments at 4.

carriers that invest in their own networks would not clear the thresholds for at least the last two of the metrics proposed by the Public Notice.⁶ This is true not just for small and mid-sized broadband providers, but for many large providers, as well. Specifically, as the Wireless Internet Service Providers Association (“WISPA”) points out, “every price cap carrier that is already receiving CAF support would fail the Commission’s test.”⁷

GeoLinks agrees with WISPA that “if large, well-established price cap carriers cannot meet the Commission’s test, then it is highly probable that a vast number of potential smaller bidders would similarly fall short.”⁸ It seems clear that if the same providers that were eligible to receive multi-million-dollar CAF awards during the first phase of funding disbursement would now be ineligible to receive CAF awards during a subsequent phase, the proposed process warrants further review. In addition, as WISPA explains, such a process would have the effect of rewarding applicants that do not routinely reinvest capital in their own networks.⁹

GeoLinks believes that a better metric for measuring whether a broadband provider possesses the requisite financial qualifications for initial consideration for Phase II Auction funding would be a showing in the short-form application that the applicant has provided voice and/or broadband services for at least two years. As ITTA explains, this measure was previously adopted by the Commission in the Phase II Auction Order to “provide assurance to the Commission that the entities that intend to bid in the auction have some experience operating networks or are otherwise financially qualified,” and to “provide the Commission with sufficient assurance before the auction that an entity has at a minimum level demonstrated that it has the ability to build and maintain a network.”¹⁰

⁶ See ITTA Comments at 4. These metrics are: “(3) current ratio (i.e., current assets divided by current liabilities), where a ratio greater than or equal to 2 would receive one point; and (4) total equity divided by total capital, where a result greater or equal to 0.5 would receive one point.” Public Notice at para. 59.

⁷ Comments of Wireless Internet Service Providers Association, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017) (“WISPA Comments”), at v.

⁸ WISPA Comments at 22.

⁹ WISPA Comments at 22.

¹⁰ ITTA Comments at 2-3 citing Connect America Fund; ETC Annual Reports and Certifications; Rural Broadband Experiments, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 5985, para. 106 (2016) (“Phase II Auction Order”).

ii. The Commission Should Not Restrict the Use of Consultants Among Small and Mid-Sized Broadband Service Providers

The Public Notice seeks comment on procedures to prevent competitive harm that could occur from coordinated bidding. As part of this effort, the Commission specifically explains that the Wireless Telecommunications Bureau has expressed concerns regarding employing the same third-party consultant as other applicants despite the requirement that an applicant “takes appropriate steps to ensure that any third party it employs for advice pertaining to its bids of bidding strategies does not become a conduit for prohibited communications to other covered entities unless parties to a joint bidding agreement.”¹¹ While GeoLinks supports the goal to prevent waste, fraud and abuse of Universal Service Fund resources, the company agrees with the Rural Wireless Association, Inc. (“RWA”) that the Commission must be careful not to adopt restrictions that limit the ability of small and mid-sized carriers to rely on qualified consultants when participating in the Phase II Auction.¹²

As an initial matter, small to mid-sized providers generally do not have dedicated auction experts in house. To be on equal footing with larger carriers that may have such internal personnel assets, it is important that small to mid-sized applicants be able to turn to third-party expert assistance (consultants, experts, and attorneys) in developing their Phase II Auction applications. Given the Commission’s stated goal of encouraging participation in the Phase II Auction from a broad range of providers, the Commission should recognize that there are likely to be far more applicants than consultants with the requisite expertise to provide effective counsel. In order for providers to get the expert advice needed to prepare an effective application at affordable rates, GeoLinks agrees with WISPA, ACA, and NTCA – The Rural Broadband Association that the Commission should allow applicants to “share the costs of a single expert” in order to “encourage greater participation by smaller entities and allow them to compete against larger providers on a more level playing field.”¹³

¹¹ Public Notice at para. 21.

¹² Comments of Rural Wireless Association, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017) (“RWA Comments”), at 4-5.

¹³ See WISPA Comments at 4-5, citing Letter from Ross Lieberman (ACA), Michael Romano (NTCA) and Stephen Coran (WISPA) to The Hon. Chairman Ajit Pai, et al., AU Docket No. 17-182 and WC Docket No. 10-90 (filed Sept. 15, 2017).

In order to mitigate the uncertainty that such consultant sharing may cause, GeoLinks supports WISPA's suggestion that the Commission "adopt a 'safe harbor' of conduct that will be deemed to not be a violation of the Commission's anti-collusion rules."¹⁴ Specifically, the Company believes that so long as the consultant does not advise another applicant bidding *for the same census block group*, there should be a presumption that safeguards have been established to ensure the consultant is not acting as a conduit for prohibited communications between or among bidders, pursuant to the Commission's rules.¹⁵

B. The Commission Should Craft Spectrum Policy to Benefit Eligible Phase II Auction Areas

As expressed in its opening comments, GeoLinks believes that the Phase II Auction presents an opportunity for the Commission to develop spectrum licensing policies specifically focused on unserved and rural areas. To meet the goals of the Phase II Auction Order, GeoLinks urges the Commission to allow Phase II Auction awardees the opportunity to obtain *priority access* to spectrum resources with which to serve these eligible areas. Specifically, GeoLinks urges the Commission to i) allow awardees to obtain spectrum resources sufficient enough allow robust point-to-multipoint ("P2MP") services (for gigabit plus capacity),¹⁶ ii) award these resources on either a "light licensed" or Part 101 basis, and iii) create spectrum license periods and renewal options that allow for investment in the equipment necessary to utilize them. New policies to this effect will allow wireless broadband providers flexibility in how they develop and design networks to meet the needs of the Phase II Auction eligible areas resulting in better application proposals and lower costs.

In addition to this forward-looking spectrum policy, GeoLinks urges the Commission not to create policy that could potentially hinder WISP participation in the auction process. In the Public Notice, the Commission proposes to require each applicant that intends to use radiofrequency spectrum to submit information regarding the sufficiency of the spectrum to which it has access to aid the Commission in determining applicants' capability to meet the

¹⁴ WISPA Comments at 5.

¹⁵ See WISPA Comments at 5.

¹⁶ GeoLinks notes that if small to mid-sized wireless providers were given priority licensing access to sufficient spectrum for P2MP services in the 3.7-4.2 GHz or 6.0-6.4 GHz bands, the Company estimates that these carriers could deliver gigabit+ service at 1/10th the cost of fiber providers (or less).

public interest requirements of the Phase II Auction.¹⁷ As several commenters have observed, the Commission only proposes to subject applicants proposing to use spectrum to this requirement. As WISPA points out, “the Commission is not proposing to require an applicant proposing to use fiber to demonstrate that it has access to rights-of-way or utility poles for the 10-year CAF Phase II support term,” which, WISPA explains, is “in contravention to the Commission’s stated desire to have technology neutral rules that promote participation by a broad range of bidders.”¹⁸ GeoLinks agrees with WISPA’s suggestion that the Commission can remedy this disparity “by establishing a ‘safe harbor’ for any applicant proposing to use any licensed or unlicensed bands that historically have been used to provide the performance tier selected.”¹⁹

Along a similar vein, GeoLinks urges the Commission to reject the Rural Coalition’s suggestion that it should require applicants proposing to rely on spectrum (and only those applicants) to submit propagation maps of their planned coverage areas as part of their short-form applications.²⁰ This proposed requirement is similarly contrary to the Commission’s technology neutral goals but goes one step further to suggest that WISPs are not capable of designing a network utilizing existing spectrum resources despite the fact that most WISPs have been doing so, very successfully, for many years now.

Additionally, GeoLinks agrees with WISPA’s suggestion that the Commission should explicitly state that applicants may propose to use more than one spectrum resource to provide the services proposed in their application(s).²¹ GeoLinks has had success using licensed spectrum in the 6 GHz and 11 GHz bands for point-to-point wireless connections for a variety of users but has also broadly utilized spectrum in the unlicensed bands to provide service to its customers – primarily in the 2.4 and 5 GHz bands. In addition, GeoLinks is in the process of assessing new bands that it might be able to use for expanded service offerings (especially P2MP

¹⁷ See Public Notice at para. 37.

¹⁸ WISPA Comments at 14-15.

¹⁹ WISPA Comments at 15.

²⁰ See Comments of the Rural Coalition, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017), at 19.

²¹ WISPA Comments at 15-16.

services).²² The band (or bands) an applicant will choose to utilize depends on a variety of factors including distance between connections, available licenses, building and subscriber density, equipment options, etc. Just as a traditional wired broadband service provider may use different network elements to deliver service, wireless providers do the same and should, therefore, not be precluded from using all the tools available to them to craft a proposed service solution for eligible areas.

III. CONCLUSION

In conclusion, GeoLinks urges the Commission to develop rules for the Phase II Auction in ways that will provide the greatest benefit to unserved, rural areas. Specifically, GeoLinks urges the Commission to avoid auction procedures that will place small to mid-sized wireless broadband providers at a disadvantage and create spectrum policy to benefit Phase II Auction areas.

Respectfully submitted,

GEOLINKS, LLC

/s/ Skyler Ditchfield, Chief Executive Officer

/s/ Melissa Slawson, General Counsel/ V.P of Government
Sales and Education

October 18, 2017

²² These new bands include TV White Spaces spectrum, which GeoLinks agrees with Microsoft Corporation should be added to the list of suitable spectrum bands in Appendix B of the Public Notice. *See* Comments of Microsoft Corporation, WC Docket No. 10-90 and AU Docket No. 17-182 (filed Sept. 18, 2017), at 4-5.