

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

October 24, 2016

RE: NEW YORK STATE'S PETITION FOR EXPEDITED WAIVER OF THE CONNECT AMERICA
PHASE II AUCTION RULES – WC Docket No. 10-90

Dear Secretary Dortch:

Berkshire Telephone Corporation, Chautauqua and Erie Telephone Corporation and Taconic Telephone Corp. (The FairPoint New York ILECs) respectfully submit this letter in response to New York State's Petition for Expedited Waiver (the "Petition") filed on October 12, 2016 in the above-referenced proceeding.

The FairPoint New York ILECs fully support the Petition and believe that the many benefits that would arise from the granting of the Petition warrant its approval on an expedited basis.

The FairPoint New York ILECs are rate of return regulated companies operating in New York and are subsidiaries of FairPoint Communications.

As noted in the Petition and as recognized by the FCC, states have an important role in advancing the country's Universal Service goals. New York has taken a leadership position in advancing universal broadband service through the establishment of the State's \$500 million "New NY Broadband Program." This program is critical to the deployment of broadband infrastructure in areas of the State where private investment alone is not sufficient to bring high speed broadband services to high cost areas.

Granting the waiver request will assist in the goal of bringing high-quality broadband service to those areas of New York subject to the Phase II auction. In addition to the benefits achieved through federal-state alignment, the proposal mitigates concerns presented by holding separate and uncoordinated federal and state auction processes. These include potential funding of duplicative broadband networks and disparate federal-state funding requirements.

Grant of the Petition will allow for the establishment of a single auction process that will provide for a greater level of clarity and certainty in our decision whether to participate in the auction program for our New York ILECs. A single auction process is more efficient in meeting the challenges of bringing broadband services to those underserved and unserved areas of the state.

New York, through its Empire State Development (ESD) agency, is well positioned to administer a state-level auction process for CAF Phase II areas in conjunction with the state's Broadband funding initiative. The State has invested significant time and resources in the development of an auction process, including extensive outreach with varied interested parties in the State and the involvement of experts in telecommunications, economics, costing and pricing as well as consulting with FCC staff. These efforts allowed New York to acquire an in-depth understanding of local broadband needs, which resulted in a successful and extremely timely conclusion in the first round of auctions conducted by the ESD.

It is not a simple matter to provide effective incentives to providers to deploy broadband infrastructure in some of the most rural areas of New York. Such a venture requires considerable capital expenditures and entails significant operating risk.

It is for these reasons that we encourage the FCC grant the New York Waiver to align the FCC and State funding structures. This would give the CAF territories in New York state the best chance for receiving high quality broadband and those consumers the best opportunity to receive the benefits of high speed Internet services.

Sincerely,

A handwritten signature in cursive script that reads "Michael T. Skrivan".

Michael T. Skrivan
VP Regulatory
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