

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
Procedures to Resolve Location Discrepancies)	
)	
)	

COMMENTS OF VERIZON¹

The Wireline Competition Bureau (the “Bureau”) has proposed generally reasonable procedures for adjusting the number of locations that Connect America Fund recipients are required to serve, but it should modify or decline to adopt certain proposals outlined in the *Public Notice*.² In particular, the Bureau (1) should give support recipients the flexibility to use various data sources and geocoding methods, rather than mandate a single method or impose overly-prescriptive requirements; (2) should require support recipients to report location data only for existing locations, not for prospective locations; (3) should not require support recipients to continue monitoring location changes until shortly before the filing deadline; and (4) should give support recipients at least 45 days to respond to comments on their petitions, rather than just 15 days.

¹ The Verizon companies participating in this filing are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

² *Wireline Competition Bureau Seeks Comment on Procedures to Identify and Resolve Location Discrepancies in Eligible Census Blocks Within Winning Bid Areas*, Public Notice, WC Docket No. 10-90, DA 18-929 (rel. September 10, 2018) (“*Public Notice*”).

Pursuant to the Connect America Fund (CAF) rules, recipients of CAF auction support are required to offer service to a specified number of supported locations in each state.³ For each auction winner, the Commission has determined the number of supported locations using the Connect America Cost Model (CAM), which relies on various sources of residential and small business location data. Due to potential inaccuracies in the location data, there may be discrepancies between the funded area's actual location count and the CAM's estimated location count.⁴

Recognizing the potential for these discrepancies, the Commission permits auction support recipients to seek a reduction in their location count obligation.⁵ Within one year of the auction closing public notice (i.e., by August 28, 2019), a support recipient that cannot identify enough actual locations in a state to meet the CAM location count may submit a list of all of the actual locations it can identify.⁶ Relevant stakeholders will then have an opportunity to review the support recipient's information and identify other locations.⁷ If the Bureau determines by a preponderance of the evidence that there are no additional locations, it will reduce the support recipient's location obligation for the state and reduce the support amount on a pro-rata basis.⁸

In the *Public Notice*, the Bureau seeks comment on the proposed procedures and requirements for this location count adjustment process. Under the Bureau's proposed framework, a support recipient that seeks a reduction in its location obligation would be required

³ 47 CFR § 54.310.

⁴ *Connect America Fund*, Report and Order, 29 FCC Rcd 15,644, ¶ 38 (2014).

⁵ *Connect America Fund*, Order on Reconsideration, 33 FCC Rcd 1380, ¶¶ 23-24 (2018).

⁶ *Id.*, ¶ 23.

⁷ *Id.*

⁸ *Id.*, ¶ 24.

to (1) file a list of all of the locations it has been able to identify (including the address and latitude/longitude) in the High Cost Universal Service Broadband (HUBB) portal operated by the Universal Service Administrative Company (USAC); and (2) submit a description in narrative form of the methodologies it used to identify structures within its eligible area and to distinguish actual locations from other kinds of structures.⁹ After a 60-day review by the Bureau, stakeholders would have 90 days to submit evidence supporting the existence and placement of additional locations.¹⁰ The support recipient would then have 15 days to submit a reply.¹¹

Although the proposed framework is generally reasonable, the Bureau should modify or decline to adopt some of the proposals outlined in the *Public Notice*. First, the Bureau should not limit support recipients to a single geocoding method or impose overly-prescriptive requirements.¹² A support recipient may need to use various sources of location data and various geocoding methods to complete a comprehensive review of its funded census blocks. For example, a support recipient may begin its analysis by geocoding internal address records or third-party address data, then refine its analysis using web-based maps, and finally collect targeted GPS data in the field. The Bureau should give support recipients the flexibility to use any of those methods, subject only to a requirement that the support recipient describe in detail the source data, application, and geocoding methods that it used.

⁹ *Public Notice*, ¶¶ 10, 17.

¹⁰ *Id.*, ¶ 22.

¹¹ *Id.*

¹² *Id.*, ¶¶ 11-12. Among other things, the Bureau asks whether it should require participants submitting location data based on GPS field research also to submit grid data, mileage receipts, weekly logs, or other evidence to demonstrate they used GPS to identify every actual location. Such prescriptive requirements are unnecessary, provided that the support recipient documents the methods that it used.

Second, the Bureau should not require support recipients to count as “actual locations” any “prospective developments that have a reasonable certainty of coming into existence within the support term.”¹³ Even if it appears today that a development is “reasonably certain” to be built, the development could still be abandoned before or during construction if there are changes in the economy or in the developer’s financial condition. Moreover, it would not be reasonable to count locations projected to be completed “within the support term” even if their completion were certain. The support term extends for ten years, but the CAF recipient must meet interim milestones at years 3, 4, and 5, and the final buildout must be complete by year 6.¹⁴ Those requirements cannot be met with respect to prospective locations that might not be completed until year ten.

Third, the Bureau should not require support recipients to continue monitoring their supported areas and add or remove locations until August 14, 2019, a mere 14 days before the August 28, 2019 filing deadline.¹⁵ According to the *Public Notice*, this proposal is intended to ensure that the support recipient’s location data “reflects the most recent facts on the ground,” including “new or prospective building developments coming into being toward the end of the one-year time frame for compiling and submitting such evidence.”¹⁶ The Bureau’s proposal fails to take into account the level of effort associated with researching location data. In order to research the locations in its supported area, a support recipient may have to review several data sources and, in some cases, conduct field research in parts of its funded area. The proposal to require a support recipient to continue monitoring its supported areas – essentially repeating the

¹³ *Id.*, ¶ 9.

¹⁴ 47 CFR § 54.310(c).

¹⁵ *Public Notice*, ¶¶ 20-21.

research it has already conducted – would be overly burdensome. Rather than require support recipients to continue updating their research until August 14, 2019, the Bureau should permit support recipients to rely on any reasonably current data source, e.g., public data sources available in 2019, internal records that were current when the support recipient conducted its research in 2019, or field research conducted in 2019. In order to ensure that the data sources are reasonably current, the Bureau should require the support recipient to specify the data vintage for public sources or internal records and the dates that any field research was conducted.

Finally, the Bureau should give support recipients at least 45 days to respond to stakeholder comments, rather than the 15 days proposed in the *Public Notice*. According to the *Public Notice*, stakeholders may submit various forms of evidence, including billing statements, property records, pictures of houses at specific addresses, or screenshots from publicly available mapping services, to support a claim that the support recipient omitted a location.¹⁷ In order to give support recipients enough time to review the diverse forms of evidence and, if necessary, conduct field research to determine whether the additional addresses submitted by commenters meet the Commission’s definition of a “location,” the Bureau should allow at least 45 days for responses.

With the common sense changes outlined above, the Bureau should adopt the framework proposed in the *Public Notice* to ensure a reasonable and practical process to resolve location count discrepancies.

¹⁶ *Id.*, ¶ 20.

¹⁷ *Id.*, ¶ 14.

Respectfully submitted,

By: /s/ Tamara L. Preiss

William H. Johnson
Of Counsel

Tamara L. Preiss
1300 I Street NW
Suite 500-East
Washington, DC 20005
(202) 515-2540

October 29, 2018