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October 31, 2016

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**VIA ECFS**

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

Re: *Connect America Fund, WC Docket No. 10-90*; Rule 54.320(d)(2)  
Notification

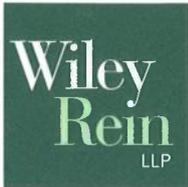
Dear Ms. Dortch:

Puerto Rico Telephone Company, Inc. ("PRT"), in consultation with the Wireline Competition Bureau staff, hereby files this notification pursuant to Section 54.320(d)(2) of the Commission's rules that PRT will not meet the October 31, 2016 final build-out requirement for its Connect America Fund ("CAF") Phase I Round 2 broadband deployment plan.<sup>1</sup> Although PRT has deployed the required 4/1 Mbps broadband to the vast majority of its 40,736 CAF Phase I Round 2 locations, less than 25 percent of these locations remain to be served. Nevertheless, PRT will deploy 10/1 Mbps broadband to those remaining CAF Phase I Round 2 locations (which is the CAF Phase II speed requirement) before the end of the second quarter of 2017.

Section 54.320(d) requires "[e]ligible telecommunications carriers subject to defined build-out milestones [to] notify the Commission and USAC, and the relevant state, U.S. Territory, or Tribal government, if applicable, within 10 business days after the applicable deadline if they have failed to meet a build-out milestone." Section 54.320(d)(2) provides that "[u]pon notification that the eligible telecommunications carrier has not met a final build-out milestone, the eligible telecommunications carrier will have twelve months from the date of the final build-out milestone deadline to come into full compliance with this milestone." If Section 54.320(d) governs CAF Phase I Round 2 funding, PRT would have until October 31, 2017 to come into full compliance with its build-out obligations.

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<sup>1</sup> 47 C.F.R. § 54.320(d)(2).



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To be sure, the application of Section 54.320(d) to CAF Phase I Round 2 funding recipients is not entirely clear in light of Section 54.312(c)(9) of the Commission's rules, which requires eligible telecommunications carriers to complete deployment of broadband-capable infrastructure to all required locations within three years of providing notification of acceptance of funding. However, if Section 54.312(c)(9) controls, certification that deployment has been completed (and any corresponding notice that the deployment has not been completed on a timely basis) would not be due until the annual report following the deployment deadline.<sup>2</sup> In PRT's case, and again assuming CAF Phase I Round 2 funding is governed by Section 54.312(c)(9), PRT would not be required to provide notice of any failure to meet PRT's final build-out milestone deadline for CAF Phase I, Round 2 until July 3, 2017, which would be the first annual report due after the October 31, 2016 deadline (which is three years after PRT accepted CAF Phase I, Round 2 funding).<sup>3</sup>

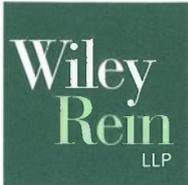
Nevertheless, out of an abundance of caution, and consistent with feedback from staff, PRT provides the current notification pursuant to Section 54.320(d). Although PRT has not yet met its October 31, 2016 deadline for deploying 4/1 Mbps broadband service to all of its required locations, PRT will deploy a much faster 10/1 Mbps broadband service (the CAF Phase II speed requirement) to all required locations that the company is required to serve as a condition to CAF Phase I Round 2 funding. This deployment will be completed prior to PRT's July 3, 2017 certification deadline that would be applicable under Section 54.312(c)(9) and well before the expiration of the 12-month grace period that would be applicable under Section 54.320(d)(2).

A copy of this notification is being sent to the Wireline Competition Bureau, the Universal Service Administrative Company, and the Puerto Rico Telecommunications Regulatory Board. There are no tribal areas affected by this deployment plan.

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<sup>2</sup> See 47 C.F.R. § 54.313(b)(1)(ii).

<sup>3</sup> See *Wireline Competition Bureau Announces Deadlines for Connect America Phase I Round Two*, Public Notice, 29 FCC Rcd 11445 (Sept. 25, 2014).



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Please contact me should you have any questions about this notification.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Navin", written over a light blue horizontal line.

Thomas J. Navin

cc: Matthew Del Nero  
Carol Matthey  
Alex Minard