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July 8, 2016

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

Re: WC Docket No. 10-90, Connect America Fund; WT Docket No. 10-208, Universal Service Reform – Mobility Fund

Dear Ms. Dortch,

On July 6, 2016 Cathy Carpino, Mike Lieberman, Brendan Haggerty, and the undersigned, all of AT&T Services, Inc. (AT&T), met with Margaret Wiener, Gary Michaels, Audra Hale-Maddox, and Mark Montano of the Wireless Telecommunications Bureau. During the meeting, AT&T discussed Mobility Fund Phase II and encouraged the Commission to adopt a population-based methodology rather than using road miles.

The primary goal of Mobility Fund Phase II should be to expand mobile voice and broadband coverage. To best achieve this goal, AT&T believes a single fund should support the deployment and ongoing operation of mobile networks, and that only one carrier should be eligible to receive support per area. Additionally, AT&T maintained its position that Mobility Fund Phase II funds should target areas that lack 4G LTE service offered by any mobile wireless provider and, to the extent possible, areas that already have 4G LTE service should not be eligible for Mobility Fund II support.

As it argued in 2013,¹ AT&T believes using population (or POPs) instead of road miles as the bidding unit for Mobility Fund II is most suitable for fulfilling the Mobility Fund's goal of expanding voice and broadband to areas that, absent USF support will be left behind. AT&T pointed out that wireless service is essential wherever customers live, work, and travel, and funding to ensure its ubiquity should not be targeted solely to roads. The Commission should consider changes to the wireless marketplace since 2011, when it established a "Mobility Fund," and design a Mobility Fund in 2016 that better matches the role wireless service plays in people's lives today. Rural areas deserve robust wireless networks capable of meeting the demand and capacity needs of populated rural

¹ Letter from Mary Henze, AT&T, to Marlene Dortch, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (filed July 3, 2013).

areas as well as their roadways. Using POPs or housing units as the basis of Mobility Fund Phase II will also help attract participants and improve auction results. POPs are one of the standard metrics used in planning wireless networks. Moreover, a carrier could more readily respond to the preliminary list of eligible census blocks (CBs), and assess the opportunity presented by the auction within the context of its current planning. In addition, the quality of data and GIS resources publicly available for POPs or the location of housing units and businesses is much higher than what is available for road miles. As the Commission recognized in the development of its Connect America Model (CAM), high quality data is critical to the validity and success of a high-cost program. AT&T also recommends using census tracts as the maximum sized geographic bidding unit in the Mobility Fund Phase II competitive bidding process. In AT&T's experience, tracts roughly relate to the coverage range of towers and thus using census tracts allows for efficient targeting to unserved areas. A POPs or housing unit-oriented Mobility Fund Phase II program could also create opportunities to coordinate with Connect America Fund (CAF) Phase II and the Remote Areas Fund.

Rather than selecting one or the other, AT&T suggested that the Mobility Fund Phase II competitive bidding process could be designed to address both POPs and road miles. For example, the bidding unit could be based on the number of 4G LTE uncovered POPs in a census tract but would require winning bidders to serve POPs *and* a defined percentage of or type of roads in the tract. While the bidding would be based on POPs, bids would also incorporate the costs to cover a clearly pre-defined road obligation. AT&T emphasized, however, that such a combined proposal is feasible only with better publicly-available data on roads than was available in 2012, particularly with respect to the delineation in types of roads.

Finally, AT&T shared some preliminary analysis using mobility coverage data from the FCC Form 477 report and 2016 census-based CB population estimates from Claritas. The data, which excludes Alaska, indicate that there are 1,489,909 POPs with no 4G LTE coverage in the United States today, and 95% of these POPs are located in only 3% of census tracts in the country or 2,466 tracts (out of over 72,000 tracts nationwide). As a result, targeting Mobility Fund Phase II support to just these 2,466 tracts would bring 4G LTE service to 1,415,394 (or 95% of) of rural Americans outside of Alaska who lack high speed wireless service in areas with an average population density of just eight persons per square mile. In addition, 52% of the 4G LTE uncovered POPs nationwide, outside of Alaska, also have no access to 10 Mbps downstream/1 Mbps upstream fixed broadband and roughly half of these appear to be in areas not taken by price cap carriers through the CAF Phase II state-level commitment. In response to questions during the meeting, AT&T will continue its analysis and looks forward to continuing this discussion.

If you have any questions regarding this information please do not hesitate to contact me at (202)457-2041.

Sincerely,

/s/ Mary L. Henze

Mary L. Henze

Cc: M. Wiener
G. Michaels
A. Hale-Maddox
M. Montano