



4030 Esplanade Way
Tallahassee, FL 32399

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Petition for Rulemaking of Central Texas)	
Telephone Cooperative, Inc., Peoples)	RM-11841
Telephone Cooperative, Inc. and)	CC Docket No. 02-6
Totelcom Communications, LLC)	WC Docket No. 13-184

The Florida E-rate Team agrees with the State E-rate Coordinators' Alliance¹ and other commenters that the Federal Communications Commission (FCC) should reject the Petition of the Texas² to prohibit use of E-Rate funds to build fiber networks in areas where fiber networks already exist.

After reading the Texas Carriers' Petition and other comments by supporting providers (Petitioners), it is apparent their supreme concern is not fiber overbuilds using Universal Service Fund (USF) programs or duplicative service, but their goal appears to be to force applicants to purchase their services by circumventing the FCC's E-rate competitive bidding process. Incumbent E-rate providers and other USF providers should not have a monopoly on fiber networks simply because they have fiber that has been paid for by Universal Service funds.

¹ INITIAL COMMENTS OF THE STATE E-RATE COORDINATORS' ALLIANCE filed Jul 2, 2019

² Petition for Rulemaking of Central Texas Telephone Cooperative, Inc., Peoples Telephone Cooperative, Inc. And Totelcom

² Petition for Rulemaking of Central Texas Telephone Cooperative, Inc., Peoples Telephone Cooperative, Inc. And Totelcom Communications, LLC filed May 22, 2019, RM-11841; CC Docket No. 02-6; WC Docket No. 13-184 ("Texas Carrier's Petition").

USTelecom suggested in their support of the Texas Carriers³, “The Petition ignores the plight of competitive providers who are consistently overbuilt with E-rate funding. Such overbuilding changes cost structures for those investing in the networks and deprives efficient funding to other unserved areas most in need.” It is not the responsibility of the E-rate applicant to design their network needs around a Carriers’ cost structures.

Ignoring that each USF program provides support for different types of populations and users, USTelecom’s claim that these Petitioners are “consistently overbuilt by E-rate funding”, simply cannot be true. The E-rate competitive bidding process is clear: any eligible provider may bid on any FCC Form 470 and provide cost effective bids that would meet the request of the applicant. As SECA so succinctly stated, “Awarding the contract to a company that is not the most cost effective would reward the company for charging above-market prices and impose a bigger drain on the E-rate program. Instead of limiting the number of vendors able to participate in the competitive bidding process, we suggest that the FCC require the High Cost recipient company to explain why they either failed to bid or failed to offer a reasonable price to the school and library customer given that they already received universal service funding to provide these broadband services.”

We further agree with SECA and other commenters that if these Petitioners were concerned with fiber overbuilds, they would diligently submit bids for these E-rate special construction projects. By doing so the Petitioners would further leverage E-rate funding to continue to build out their existing fiber network so that the needs of the applicants were effectively met. By choosing not to bid on a 470, the Petitioners admits they are either unable to meet the demands of the applicant or their pricing is simply too high and would not meet the

³ COMMENTS OF USTELECOM—THE BROADBAND ASSOCIATION filed July 1st 2019

FCC's Lowest Corresponding Price rule. Either way, it is their choice to not bid on a 470.

"Duplicative service" or "over building" as an argument against inclusive competitive bidding practices further sheds light on the apparent intention of this petition request. They don't want to compete. As John Windhausen, Jr. Executive Director Schools, Health & Libraries Broadband (SHLB) Coalition, pointed out⁴, the Petitioners request would "result in higher costs for schools and libraries and a higher amount of E-rate funding for services that could be inferior to those being provided by the winning bidder in the competitive bidding process." If duplicative service and over builds are truly a concern, then the issue lies at the feet of the Petitioners who have failed to properly submit cost effective bids and not the applicants.

The State of Florida E-rate Team appreciates the opportunity to submit our reply comments in this important proceeding and looks forward to further participation and discussion with the Commission.

Respectfully Submitted by:

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⁴ Notice of Ex Parte in WC Docket No. 02-6; WC Docket No. 13-184; RM-11841; WC Docket No. 17-310; WT Docket 18-120