

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
The Uniendo a Puerto Rico Fund and the	)	WC Docket No. 18-143
Connect USVI Fund	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
ETC annual Reports and Certifications	)	WC Docket No. 14-58

**COMMENTS OF  
WORLDNET TELECOMMUNICATIONS, INC.**

WorldNet Telecommunications, Inc. (“WorldNet”) submits the following comments in response to the Commission’s Notice of Proposed Rulemaking issued in this proceeding on May 29, 2018. WorldNet thanks the Commission for this opportunity to be a part of the process to bring much needed additional funding to Puerto Rico to update, expand, and solidify the communications infrastructure serving embattled and resilient citizens of Puerto Rico.

**COMPANY INTRODUCTION**

Following the devastation to Puerto Rico caused by the 2017 hurricanes, WorldNet representatives have made a number of visits to the Commission to advocate for Puerto Rico and its citizens in their continuing rebuilding effort. As shared in those visits, WorldNet is a 22-year-old competitive telecommunications, cloud computing, and technology services company located in and serving the island of Puerto Rico. WorldNet has 150 employees and serves around 3,000 business customers in Puerto Rico, making it the third largest provider of fixed telecommunications services in Puerto Rico (behind PRTC and AT&T). WorldNet has deployed a state of the art IP-based broadband/telecommunications network that has “raised the bar” for standards of quality for all of Puerto Rico.

To get where it is today, WorldNet followed the “script” envisioned by Congress in the Telecommunications Act of 1996. WorldNet was among the first local services resellers in Puerto Rico, was the first UNE-based provider in Puerto Rico, and has now invested more than \$40 million to build next-generation infrastructure, including an IP-based softswitch, numerous collocations, and select fiber and fixed-wireless deployments.

During the 2017 hurricanes, WorldNet suffered extensive network damage. Among other things, WorldNet’s main central office flooded, causing millions of dollars in property damages. WorldNet’s external plant was also damaged severely. The process to repair was difficult, hindered substantially by power outages, scarce resources, permits, the weather, impassable roads, and many other issues. WorldNet lost revenues and lost customers. WorldNet, however, has worked diligently to restore its network and its services, and it heartily welcomes the assistance that the Commission is working to provide to WorldNet and other Puerto Rico providers, not just to restore Puerto Rico’s communications networks, but to create a better and more robust communications future for Puerto Rico.

## **COMMENTS**

In its Notice of Proposed Rulemaking, the Commission proposes to establish a second stage of funding for the Uniendo a Puerto Rico Fund that would make available, over a ten-year period, about \$699 million to Puerto Rico providers for rebuilding and expansion of Puerto Rico communications networks. The Notice also solicits comments on the process for awarding funding in the second stage.

To begin with, WorldNet wholeheartedly supports the Commission’s determination to expand funding to Puerto Rico for the restoration and expansion of its communications infrastructure. Puerto Rico is a place that is unlike any other jurisdiction that falls within the

Commission's oversight. Not only is it recovering from unprecedented natural disaster, it also now faces, among other things, a historically unrivaled fiscal crisis, a struggling, stagnant economy that is seeing virtually none of the growth now enjoyed in the mainland US, and power and communications infrastructures and markets that are far outpaced by virtually all other US jurisdictions. Puerto Rico is different. It needs special consideration and assistance from the Commission. The Commission has recognized this with the Uniendo a Puerto Rico Fund and its current proposals for second stage funding. WorldNet fully supports grants of funding to the greatest extent possible to help Puerto Ricans build their way out of their current circumstances and into the same communications future that is, and ultimately will be, available to all US citizens.

With regard to the second stage funding process, the Commission has proposed various alternatives, including a competitive bidding-process, an auction alternative, and a negotiated alternative. WorldNet urges the Commission to adopt a process that enables competitive providers, like WorldNet, to have a real and material role in the rebuilding process for Puerto Rico. In other words, the second stage should not just be the "incumbent LEC" rebuilds Puerto Rico" stage. Single provider market dominance has left Puerto Rico at the back of the pack in terms of service, costs, and technology and innovation.

For years, WorldNet has been a market leader in transforming and improving Puerto Rico's communications networks, service options, and service quality. WorldNet does not have the scale or reach of PRTC's (or AT&T's) resources or network presence. And, WorldNet does not have the subscriber counts that these other providers have, largely because of WorldNet's focus on non-residential, business consumers. But, WorldNet has become an integral part of Puerto Rico communications markets, providing innovative, state-of-the-art service options to Puerto Rico business that are vital to the long-term success and prosperity of all Puerto Ricans. The

competitive options and innovation that WorldNet (and others like it) now provide and, with realistic and fair access to Uniendo a Puerto Rico Fund funding, could provide to Puerto Rico consumers can and should be an equally integral part of Puerto Rico's future.

To this end, WorldNet encourages the Commission to establish a second stage funding process that includes and creates a level playing field for competitive providers, like WorldNet. Such a process should not establish that funding decisions be made based solely on criteria in which larger, more ubiquitous providers, like PRTC and AT&T have an inherent advantage over smaller, more focused providers like WorldNet (e.g., the advantages of economies of scale, larger resources, greater reach into or on underserved areas, etc.). Rather, the Commission should also consider things like the importance of facilitating and growing competitive options, the importance of equipping the life-blood of Puerto Rico's economy (i.e., businesses) with innovative, tailored services and service options (including new service tools like cloud and IT options such as hosted telephony, virtual servers, analytics, and equipment), and the now well-apparent need to have network redundancy options. Put differently, the Commission's funding decisions, by whatever process the Commission chooses to establish, should be focused not just on re-building and expanding physical networks, but on fostering a diverse, competitive market place in the areas of Puerto Rico that will most contribute to Puerto Rico's long term recovery, growth, and transformation into a place where Puerto Rican's have the same communication security, reliability, and options as those now enjoyed by all other US citizens.

Respectfully submitted,

Richard Davis  
Counsel to WorldNet Telecommunications, Inc.  
(626) 795-4768  
[rd-law@hotmail.com](mailto:rd-law@hotmail.com)

Lawrence Freedman

Senior Vice President  
WorldNet Telecommunications, Inc.  
(301) 229-7484  
[lfreedman@worldnetpr.com](mailto:lfreedman@worldnetpr.com)

Filed: July 26, 2018