



GOVERNOR OF PUERTO RICO

Ricardo Rosselló Nevares

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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

**COMMENTS OF
THE GOVERNOR OF PUERTO RICO
IN SUPPORT OF THE UNIENDO A PUERTO RICO FUND**

The Office of the Governor of Puerto Rico submits these brief comments in the above-captioned proceeding.¹ On behalf of the citizens of Puerto Rico, the Governor wishes to thank the Federal Communications Commission ("FCC") for addressing the immediate need of restoring and advancing Puerto Rico communications infrastructure. As Chairman Pai and Commissioner Rosenworcel saw personally during their visits to Puerto Rico, the 2017 hurricane season caused devastating destruction to Puerto Rico, including its telecommunications infrastructure. We

¹ Order and Notice of Proposed Rulemaking, *The Uniendo a Puerto Rico Fund and the Connect USVI Fund, et al.*, WC Docket No. 18-143 (May 29, 2018) ("Notice").

estimate that the island's communications networks sustained approximately \$1.5 billion of damage.

The Office of the Governor supports the overall mission of the Uniendo a Puerto Rico Fund and is confident that these funds will be utilized in a manner that serves the best interests of the people of Puerto Rico. Puerto Rico is engaged in a years-long effort to establish an environment for robust communications services, including broadband, throughout the Commonwealth of Puerto Rico. We have a Gigabit Island Plan developed by a non-partisan Puerto Rico Broadband Taskforce. This plan has the ambitious goal of having 70 percent of households with the ability to subscribe to 1 Gigabit per second broadband download service by 2020. All stakeholders in Puerto Rico recognize the importance of a robust communications infrastructure—such infrastructure is necessary in order to advance many social and economic goals in the 21st century.

The public policy of the new government is to procure economic growth, promoting the technology industry and advanced telecommunications services in Puerto Rico, so we can become a bridge of development in the Caribbean region; and transform the government through the use of technology. Puerto Rico is open for business and it is important to have a robust and resilient telecommunications infrastructure, that provides an essential service to our citizens and is a key factor to the economic development of any country.

Based on discussions with those knowledgeable of our communications infrastructure, including members of the Telecommunications Regulatory Board of Puerto Rico, we understand that the creation of the Uniendo a Puerto Rico Fund is a good starting point for recovery and advancement of critical infrastructure. We expect that the Stage II offer to advance infrastructure will be overwhelmed by requests for support from current and new eligible telecommunications carriers. In light of the enormous demand for support, we strongly recommend the FCC provide

for additional support to meet the urgent needs in Puerto Rico. Of course, this federal support will not come as a blank check. We understand that strict measures will be in place to ensure that federal funds are spent on specific projects, in specific areas, with accountability being a hallmark of the program.

The FCC wisely recognizes that Puerto Rico is a uniquely challenging environment for operating and maintaining telecommunications networks. Telecommunications providers on the island regularly face much higher operating costs due to the tropical environment, which increases maintenance requirements and reduces the useful life of equipment and the need to ship all equipment and parts to the island. Moreover, the very low average income and high poverty level of the population makes it almost impossible to recover the very high costs of operation. There are also the extraordinary costs of maintaining and repairing networks because of hurricanes and other tropical storms, which are a regular hazard to Puerto Rico's infrastructure. A noteworthy additional cost to communications providers is the millions of dollars needed to safeguard reliable electrical energy throughout the island. We are aware of the challenges facing the electrical grid in Puerto Rico and these challenges compound communications services offered in Puerto Rico.

Without access to telecommunications infrastructure throughout the island, Puerto Rico's residents will continue to struggle economically. Economists have long held that access to quality infrastructure is essential to economic growth and, even more importantly, accelerates the path out of poverty.² As the Communications Act of 1934, as amended, recognizes, access to reliable

² See e.g., César Calderón & Luis Servén, *The Effects of Infrastructure Development on Growth and Income Distribution, Policy Research Working Paper; No. 3400*, WORLD BANK, (2004), available at <https://openknowledge.worldbank.org/handle/10986/14136>. See also David Aschauer, *Is Public Expenditure Productive?*, 23 J. Monetary Econ. 177 (1989).

telecommunications and information services is essential for all Americans, including those in insular areas like Puerto Rico.³ If Puerto Rico is to recover and move forward, which includes being able to attract residents and businesses back to the island, it needs to be able to offer reliable telecommunications and information services to all of its citizens at a level equivalent to services on the mainland. With the support and funding provided by the FCC, we are willing to walk hand-in-hand into the future and establish Puerto Rico as a communications hub for the Caribbean region and showcase how the FCC and state participation can work effectively to address the needs of American citizens.



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³ 47 U.S.C. § 254(b)(3).