

March 7, 2018

Chairman Ajit Pai
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Pai:

I write to follow up on the Federal Communications Commission's deployment of the Connect America Fund Phase II (CAF-II) "reverse-auction" funding. My office and staff continue to receive complaints about the lack of clear and detailed information regarding the status of the previously distributed CAF-II funds. While transparency remains a paramount concern, I also write to request that the next round of CAF-II funding ensure that all providers capable of delivering reliable, affordable, high-speed broadband in Colorado are eligible to compete for these funds on a level playing field to build out to unserved rural communities. Many local Internet service providers across Colorado have not been eligible for previous funding rounds because of their size, customer base, or incapacity to provide voice service in addition to Internet. The next round of funding should ensure that broadband providers in less populous areas are able to compete, giving them a chance to fulfill the original mission of the Connect America Fund.

I would also like to ensure that bidders are being encouraged to offer the highest quality service possible. The previous round of CAF funding, as well as the upcoming reverse auction, allows certain areas with 10 Mbps download by 1 Mbps upload speeds to be considered served, which is not only inconsistent with the FCC's 2015 broadband definition of 25 Mbps download by 3 Mbps upload, but barely sufficient for basic internet use, let alone adequate connectivity for business, education, and economic development in rural areas. A failure to encourage CAF recipients to build out at higher speeds, or at least establish a network architecture that will eventually be capable of higher speeds, could continue to deny many rural areas the economic opportunity that true connectivity brings.

Given these concerns and our shared belief of the importance of high-speed, reliable, and affordable broadband for all Americans, I would appreciate answers to the following questions:

- Will applications for the next round of CAF funding be made public and transparent?
- How will the next round of CAF funding be designed so that rural states are less disadvantaged and legitimate providers in rural parts of Colorado are more competitive?
- What are you doing to support smaller providers to help them clear the various regulatory hurdles, such as the need to be certified by a state and the obligation to provide voice service in addition to internet, so that they are eligible for funding?
- What steps are you taking to encourage deployment of higher speeds and more affordable services in order to future-proof the next round of funding?
- How are you ensuring that bidders understand that they will have a better chance of receiving funding if they can offer higher speeds at affordable prices?

- Are you conducting community outreach to ensure that applicants are aware of the regulatory hooks as well as ways to maximize their chances of receiving funding?

In addition to these questions, I have attached an addendum of three letters that outline some of the primary concerns surrounding broadband access in Colorado. The first letter is from a couple who wants to relocate their business and family from California to Colorado but has been hindered by lack of high-speed and reliable broadband in rural areas of the state. The second letter laments the highly inconsistent coverage in southwest Colorado as well as the lack of transparency about the program during the last round of CAF funding. The third and final letter is from the Southwest Colorado Council of Governments (SWCCOG).

High-speed, reliable, affordable broadband is essential for our communities to thrive in a 21st Century economy, and I believe we have to do everything we can to make that a reality—especially in our rural communities. I know that we share a commitment to closing the digital divide so I look forward to your prompt response as we work together to connect and lift up our communities through high-speed, affordable, and reliable broadband access. Please let me know if you have any questions and thank you in advance for your cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike F. Bennet", with a stylized flourish at the end.

Michael F. Bennet
United States Senator

I. Letter from Kirsten Lee and Richard Farmer

Dear Senator Bennet,

We own a property up at Lemon Lake (just 12 miles outside of town) in the city limits of Durango and I wanted to share with you my fervent plea re: internet connectivity for the outlying areas of town.

Although we currently reside in California, my family has had land in/around SW Colorado since 1971 and we've owned our current property at Lemon since 2014.

My husband Richard is a filmmaker (<http://www.richardfarmer.tv/>) + he owns a commercial drone business (www.DronesofPeace.com) which employs 4 full time people + a handful of part-timers.

I run a portfolio of assets for a large, publically traded REIT – and both of us could work from anywhere and have considered moving from California to Colorado to our property which could easily accommodate our work projects.

We would bring with us our personal incomes (about a million dollars in taxable income annually) + the ability to hire local full time employees.

These would be good paying jobs that would employ local people.

We'd also bring with us our son who would attend the local schools, our many friends and family who love to visit (and spend their tourism dollars in Durango) and our ability to volunteer and be a part of the community.

However, this dream of relocating our lives to Durango is **impossible** given the slow internet options available to us as our business rely on high-speed connectivity in the same way we all rely on roads, or electricity.

Most of you reading this already know about internet connectivity being a huge problem for people trying to work from home in/around Durango, so I know our particular issue isn't unique.

In the 3 years since we purchased this particular property, I've gone down the rabbit hole, so to speak on this topic, and spoken to everyone from executives & engineers at Century Link, to the owner of Skywerx, Jared Davis, to the SWCCOGs folks, etc., and have learned what you already probably know:

- a) DSL connectivity in our area isn't going to happen b/c Century Link's lines are capped out with the current users in our area and per customer service reps, they say they are waiting until "fiber optic lines get installed as part of the federal broadband initiative."
- b) Going further up the food chain at Century Link, to Linda Blackstone, Director of Engineering and Construction (email attached) she flatly debunks that claim made by customer service department as they *"do not have any plans at this time to upgrade this area. This would involve placing fiber for a little over 4 miles and placing electronics at 2 separate locations. There are no plans in the near future to construct this project."*
In a follow-up phone call, she acknowledged that the funding Century Link did receive from the FCC was all applied to infill for suburban Denver and that the rumors of "fiber optic lines being run" in/around Durango in the near/medium future are false. They have NO plans to do so (through 2020).
- c) Jared Davis with SkyWerx in Pagosa indicated that he would love to be able to run those lines, but that until the FCC opens up the funding to the smaller guys like him – those funds will

continue to go to the large telecoms (like Century Link) who will continue to spend that money in the bigger metro areas.

Which leaves us in a limbo – no plan, no funding, just a hope that ‘something will be done.’

You might be thinking: so what? You’re just one person who wants to move to Durango but it’s much bigger than just us and our desire to relocate here, as it affects most of our full-time neighbors that I talk to up by us at Lemon/Florida Rd.

For example, it’s our locally based property manager who can’t send or receive invoices due to slow internet, it’s our carpenter who lives up there who laments the limitations of being able to grow his business b/c he can’t upload and maintain his website from his shop, it’s the local gunsmith down the road from me who can’t send pictures to prospective clients and has to drive into town to get wifi, it’s the local builders that worked for us building a bunkhouse for us last summer who would have to drive into town to communicate properly to clients, it’s our neighbor that runs an hunting outfitter service that has given up trying to maintain an online presence due to load times, etc.

In short, Durango has current small local businesses that will point blank tell you that the lack of high speed internet is a direct impediment to growing their businesses.

Everyone seems to think that ‘something is being done’ but the cold hard reality is: nothing is being done by the big Telecoms and there is no local, actionable plan.

All this to say, I sincerely urge you, as business leaders of the area, to make your highest priority bringing fiber optic cabling to the entire area, and quickly.

In order for Durango to grow its local businesses, many of whom are home-based in areas with terrible to no connectivity, this should be the charge of the day!

Furthermore, in order to bring new growth to the area, a prime consideration of those businesses will be: can I run my business the way I need to?

In our case, emphatically no, we cannot.

The article below is what spurred this email as it so clearly spells out what is ailing us, is shared by many in the country – and there appear to be workarounds if spearheaded by creative, ambitious local leadership.

<https://www.wsj.com/articles/rural-america-is-stranded-in-the-dial-up-age-1497535841>

Thank you for reading/sharing my letter.

One day, we hope to be a full-time, active member of the Durango community and look forward to thanking you in person.

Best,

Kirsten Lee & Richard Farner

II. Letter from Mr. Jerry Swingle

Dear Senator Bennet,

Thank you for follow-thru on CenturyLink funding/improvements!

I have been attempting (unsuccessfully) to get residential internet service in Hermosa for 4 years.

Immediate neighbors have (low-speed) service, while ~1/2 mile away CenturyLink provides Dalton Ranch with 80Mb/s.

CenturyLink has consistently denied having/providing ANY information about planned local system upgrades - despite a high-speed/high-capacity fiber optic cable laid along Hwy 550 three (3) summers ago...less than 150 yards from my residence!

Anything your office can do to get CenturyLink to address this will be appreciated by local constituents

I will appreciate being informed of any progress re CenturyLink issues.

Mr. Jerry Swingle
Durango, Colorado

III. Letter from the Southwest Colorado Council of Governments

31 October, 2017

Senator Michael Bennet
United States Senate
261 Russell Senate Office Building
Washington, DC 20510
Phone: 202-224-5852

RE: CAFII Funding in Southwest Colorado

Dear Senator Bennet,

The Southwest Colorado Council of Governments (SWCCOG) is located in the southwest corner of Colorado, in the region consisting of the five counties of Archuleta, Dolores, La Plata, Montezuma, and San Juan and the two Native American Tribes of the Southern Ute and the Ute Mountain Ute. We would like to express concern about the approach CenturyLink has taken with respect to CAFII funding in Southwest Colorado.

CenturyLink has been awarded tens of millions of dollars for multiple years through the FCC's Connect America Fund II (CAFII), the purpose of which is to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. Meanwhile the SWCCOG has continually received complaints about CenturyLink service across the region from residents and businesses, especially dismaying are the complaints from areas slated to receive CAFII funding. When approached regarding these concerns, answers are elusive and issues remain largely unaddressed. Of specific concern, when the SWCCOG asked about service in the area near Lemon Reservoir, located in La Plata County, the Board was told by CenturyLink that this area is not covered by CAFII funding. However, according to information on the FCC's website this area is included and CenturyLink is required to provide broadband service to this area. This is concerning not only because of the inconsistent information surrounding this issue, but also because improvements in the area do not seem to be forthcoming. We are concerned that significant portions of southwest Colorado will remain without service despite funding specifically allocated for that purpose.

In addition to infrastructure simply not being installed, the SWCCOG is concerned that the infrastructure CenturyLink is installing will only provide 10Mbps by 1Mbps (download by upload) speeds, as the bare minimum required by CAFII. In 2015 the FCC defined broadband as 25Mbps by 3Mbps. Speeds of 10Mbps by 1Mbps is barely sufficient for moderate internet use, and not nearly adequate for the connectivity for business, education and economic development that rural America critically needs.

We seek your support in helping us hold CenturyLink accountable for the funds they receive that should be used to expand infrastructure in southwest Colorado. Thank you for your time and any support you can provide to resolve these matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Miriam C. Giffow-Wiles', written over a light blue horizontal line.

Miriam C. Giffow-Wiles

Executive Director

Southwest Colorado Council of Governments

director@swccog.org

cc:

Colorado State Senator Don Coram

Colorado House District 58 Representative Marc Catlin

Colorado House District 59 Representative Barbara McLaughlin



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 3, 2018

The Honorable Michael Bennet
United States Senate
458 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Bennet:

Thank you for your letter on the importance of high-speed, reliable, affordable broadband for rural communities in the 21st century economy. In my first remarks to FCC staff as Chairman, I declared that my highest priority would be making sure every American who wants high-speed Internet access can get it. Rural Americans deserve the same digital access as those living in urban areas. That is why the Commission has made every effort to bring digital opportunity to all Americans.

I am glad that you highlight the Commission's Connect America Fund Phase II auction in your letter. As you may know, the Commission decided to hold such an auction in 2011, but it was not until last year that we began to devise that auction in earnest. And I'm pleased that the \$1.98 billion auction to build out high-speed Internet access to unserved rural Americans kicked off last month.

We aim to ensure that all interested providers capable of delivering reliable, affordable, high-speed broadband to eligible areas are permitted to compete for CAF II auction funding. The Commission adopted auction rules that encourage a variety of providers—including wireless Internet service providers, small-town cable operators, electric co-operatives, and others—to compete for support. And those same rules reward those willing to offer higher-quality services to rural America—all the way up to 1 gigabit per second. To foster full participation, Commission staff conducted outreach about the auction and the application process, including hosting an Auction Application Workshop on March 14, 2018 for all interested parties, meeting with representatives from various industry groups and state and local governments, conducting auction-related webinars, and publishing an online tutorial. The Commission has urged prospective applicants to carefully review the Commission's orders and public notices relating to the Connect America Fund and has made auction-related documents available online and at the Commission's headquarters.

On June 25, 2018, the Rural Broadband Auctions Task Force, the Wireless Telecommunications Bureau and the Wireline Competition Bureau announced that 220 applicants had qualified to bid in the auction. This Public Notice, as well as other information about the auction, is available on the Commission's website at www.fcc.gov/auctions/903. Qualified bidders include small and large telecommunications companies, cable companies, wireless Internet service providers, and electric co-operatives, and certain information about the

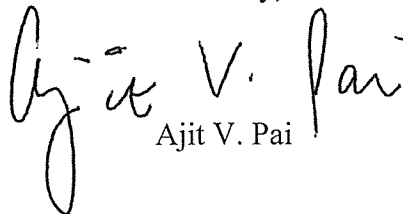
applicants is publicly available. However, to preserve the integrity of the auction, additional information about the bidders—including the states and service tiers for which they are eligible to bid—will remain confidential until after the auction.

As they did for the short-form application process, the Rural Broadband Task Force, the Wireless Telecommunications Bureau, and the Wireline Competition Bureau provided step-by-step instructions and assistance to qualified bidders to ensure they are prepared to participate in the auction. They have published a user guide and tutorial online and conducted a workshop and mock auction so that bidders could learn how the bidding system works. Further instructions about completing the long-form application and addressing regulatory requirements will be provided to winning bidders at the close of the auction.

I should note that the CAF Phase II auction is not the last opportunity to ensure broadband reaches all Coloradans. We then plan to move on to the Remote Areas Fund for those areas still without high-speed broadband—and we will ensure that any funding originally intended for Colorado that is not allocated to Colorado in the CAF Phase II auction will be available in that second auction. Additionally, the Commission has moved aggressively over the past 18 months on many fronts to modernize its regulations in order to promote greater Internet access. Among other things, we have made it easier and cheaper for new entrants to attach broadband equipment to utility poles; have streamlined the rules for wireless infrastructure to promote deployment; have made it easier for companies to shift investment from the fading copper networks of yesterday toward the resilient fiber networks of the future; have approved the first-ever non-geostationary satellite constellations that aim to provide high-speed access to rural areas; and have made available more wireless spectrum in order to promote high-speed mobile broadband services that consumers increasingly rely upon.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part of the script. Below the signature, the name "Ajit V. Pai" is printed in a standard, sans-serif font.

Ajit V. Pai