

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

In the Matter of)	
)	
Rural Digital Opportunity Fund)	WC Docket No. 19-126
)	
and)	WC Docket No. 10-90
)	
<u>Connect America Fund</u>)	

Comments of Race Telecommunications, Inc.

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September 20, 2019

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Pursuant to 47 CFR Rules 1.415, 1.419 and 1.49 of the Commission’s Rules, Race Telecommunications, Inc. (Race) hereby timely files comments on the Notice of Proposed Rulemaking (NPRM or Notice) relating to the proposed Rural Digital Opportunity Fund (RDOF) in the above-referenced dockets.

Summary: Race supports the two-phase approach for RDOF funding with emphasis on unserved areas first with the bulk of the funding and underserved areas (below 25/3 speeds) for the second phase. Race supports a 10-year support model. Race urges the FCC be flexible on the total RDOF amount to be funded, given that result of the docket on Broadband Mapping Notice may reveal many more unserved or underserved locations once the mapping is made more granular and accurate.

Race requests that the FCC specifically allow RDOF support recipients to receive companion state broadband grants for any uncovered costs. RDOF grantees should be given priority if they have a companion state grant in order to maximize the efficiency of funding a specific project. The FCC should allow grantees to use grants along with state or local grants for projects in a flexible manner.

Race urges the FCC to make it clear that partial census blocks may be funded if there are remaining locations that are unserved or below 25 Mbps. download and 3 Mbps. upload speeds, regardless of prior Connect America Fund or other universal service high cost funding.

Race urges the FCC to require providers who received CAF funding to report to any state or federal agency which locations have been built out and their short term and long-term deployment plans. Agencies need this critical information for planning purposes. Should a state utilities agency or state broadband authority have more granular information on locations served relating to CAF broadband projects, this data should be integrated into the FCC broadband map promptly, so that any unserved or underserved (below 25/3) locations may be included in the areas eligible for RDOF funding.

On deployment obligations, Race supports the three Performance Tiers but would increase the Above-Baseline Tier to *200 Mbps.* download (adjusted up from 100 Mbps.) with 2 TB of monthly usage.

Race urges the FCC to require RDOF support recipients to deploy adequate capacity serve *all users* -- residential, first responders and anchor institutions -- in a community that plan to rely on the project infrastructure. Race supports SHLB Coalition and the California Emerging Technology Fund in their call to include community anchor institutions and not just residents in the “locations” to be served by RDOF support recipients.

Race joins Geolinks in objecting to 70% subscribership milestones in order to obtain full payment of the RDOF support. Subscribership may be low due to many factors such as lack of understanding of the relevance of broadband to their lives, or affordability. A better way to address the issue is to require marketing throughout the service area by the RDOF support

recipient, with a required special focus on low-income and other vulnerable communities, and funding for Digital Literacy, broadband education and public access locations where broadband adoption levels are low.

Background: Race is a fiber Internet Service Provider based in Northern California that operates with the underlying principle that broadband access is essential to all. Race's mission is to provide advanced communications at an affordable price. Race focuses on service to communities that larger carriers have long ignored. These communities tend to be rural and remote, and they contain many remote, low-income and disadvantaged communities. To date, Race has been awarded ten California Advanced Services Fund (CASF) Broadband Infrastructure Program grants from the California Public Utilities Commission (CPUC) to construct fiber broadband systems in unserved and underserved areas consisting of over 16,000 households. Race is proud to have received the most CASF grants in the state.

As examples of Race's projects, Race brought the first gigabit service to Red Mountain, California, a small town of 202 households in San Bernardino County that is part of the Five Mining Communities project. Before the Race Gigabit project, local residents voiced their dissatisfaction with mobile broadband as a substitute for wireline broadband. They suffered from unreliable Internet service that included data caps and high rates. The lack of a reliable connection hindered the residents' ability for telecommuting, education, healthcare, economic competitiveness and public safety. Race's project made gigabit service available to every household at affordable rates.¹ The Red Mountain residents now have a chance for a better future for themselves and their children.

¹ Race's rates are affordable with broadband packages as low as \$25 per month (symmetrical 25 Mbps.) and \$60 per month for a gigabit (symmetrical 1,000 Mbps.) with no data limits.

Race also is currently constructing the Gigafy Phelan project, in rural San Bernardino County to bring fiber-based gigabit Internet to the Phelan, Pinon Hills and Oak Hills areas. These areas are rural and remote, with pockets of very low-income households. Critical to this project was the strong support of residents and community leaders who lobbied the CPUC in person and by email for approval of the project. Other Race projects are in Kern County (Mohave Spaceport, Boron, High Desert and Backus), Mono County, and Sonoma County (Occidental). Race continues to bridge the Digital Divide and improve network connectivity with fast fiber networks in the Golden State. Race appreciates the opportunity to comment on the Notice. It would be interested in applying for RDOF grants in California.

Budget. Race supports the proposed two-phase approach for RDOF funding with emphasis on unserved areas first in Phase I (\$16 billion), and underserved areas in Phase II (\$4.1 billion). Race also supports the FCC's proposal to use a 10-year support model, consistent with past Connect America Fund, Alaska Plan and 2016 Rate of Return Reform programs. Race agrees with the Notice that long-term support (at least ten years) is appropriate to ensure RDOF support recipients are able to cover their infrastructure costs, plus build subscribership in these low population areas to cover operating and maintenance costs. All of these costs have to "pencil out" to make an endeavor financially viable for the provider.

Race further urges the Commission to adopt simple, straightforward program rules, provide adequate incentives to build to and serve these difficult-to-serve areas, and consider whether to provide funding for broadband education and digital literacy in areas that require it.

Unlimited voice is priced at \$10 per month with the purchase of Internet service, and includes unlimited nationwide calling and low international rates. Video packages are \$95 per month with 270+ channels, including 3 premium channels.

The California Legislature has provided funding for digital literacy and public access to computer programs managed by the CPUC.² Race suggests the FCC to provide similar funding in the RDOF areas, where there is need for it.

Race recommends that the FCC specifically allow RDOF support recipients to also receive companion state broadband grants for any uncovered costs. Race agrees with CETF that RDOF applicants should be given a priority if they can obtain matching state funding for a specific project. The FCC should use flexibility to allow grantees to use both state and federal monies for a single project.

Race requests that the FCC set forth an adequate budget to provide reliable broadband service to all unserved and underserved areas with less than 25/3 speeds. Race understands that the FCC recently released a Notice of Proposed Rulemaking³ to overhaul the broadband mapping process, so that the current overstatement of broadband coverage will no longer be allowed. Race commends the FCC on this important, long overdue work on the Form 477 Data Program. It is Race's experience that the FCC Broadband map is overstated, given the current Form 477 rule allows a provider to designate an entire census block as served if one subscriber is served in that census block. This unfortunate rule has resulted in many communities being

² For the first time, the California Legislature approved digital literacy and public access programs to be funded out of the CPUC California Advanced Services Fund program. "The Broadband Adoption Account, created via Assembly Bill 1665, provides grants to increase publicly available or after-school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption. The CPUC will give preference to programs and projects in communities with demonstrated low broadband access, including low income communities, senior citizen communities, and communities facing socioeconomic barriers to broadband adoption." See <https://www.cpuc.ca.gov/General.aspx?id=6442457502>

³ Establishing the Digital Opportunity Data Collection, Modernizing the FCC 477 Data Program, WD Docket Nos. 19-195, 11-10, Report & Order and Second Further NRPM, FCC 19-79 (Aug. 1, 2019).

blocked from obtaining grants to bring them adequate broadband, to their great frustration. This bad rule should be reversed as quickly as possible, and more granular data required.

The timing and intersection between more accurate mapping and these RDOF grants for unserved and underserved areas below speeds of 25/3 must be considered. Should future, more granular mapping result in more unserved and underserved areas being revealed, a process should be established now for FCC Staff to immediately include those areas in Phase II of RDOF. Census blocks that received past CAF funding should not be *automatically* deemed ineligible from further funding if there are still locations within that census block that are in fact unserved or served at speeds below 25/3.

On reporting requirements, the California PUC has required a number of major California broadband providers that are either receiving Connect America Fund Phase II funds or that have infrastructure build-outs due to corporate consolidation commitments to give the CPUC more granular information about locations they have connected and which remain unserved.⁴ Should a state utility commission have more granular mapping data to show that specific areas are unserved or underserved by broadband at speeds below 25/3, there should be an immediate process by which this data is included in the FCC Broadband Map. FCC Staff should be directed to include any unserved or underserved areas below the 25/3 threshold in the RDOF program.

Race urges that recipients of any High Cost Support, Connect America Funds, RDOF funds, or any other funds under the Universal Service infrastructure umbrella be required to respond and report to state or federal government agency all requested information on broadband

⁴ These providers include AT&T California, Frontier Communications, and Charter Communications.

deployment and plans for deployment in the short term and long term. Without this data, critical planning cannot be done.

In California, there is also a need for broadband to cover our farmlands for more efficient agricultural cultivation and techniques that save water and energy. Race suggests other “bread basket” areas of the country similarly would benefit from the use of broadband to enhance their crop yields and to save water and energy. Race supports the arguments advanced by CETF supporting AgTech initiatives in rural farmlands. Race urges the FCC to closely review the data in the AgTech studies sponsored by CETF and carried out by Fresno State and Valley Vision. It clearly shows the benefits to farmers of broadband. Race recommends that the FCC ensure that its RDOF policies may include funding for working farmland locations with interest in using broadband as a production tool, and not just to residential locations.

Deployment Obligations. Race supports the Notice’s proposal to increase minimum speeds in the RDOF grants from 10/1 to 25/3 with minimum monthly usage allowances. As noted above in footnote 1, Race’s minimum broadband speed offered is a symmetrical 25 Mbps. with no data caps at only \$25/month. The NPRM proposes three Performance Tiers that RDOF bidders may choose:

- (1) the minimum Baseline Performance Tier with speeds of at least 25/3 Mbps. with 150 gigabytes (GB) of monthly usage or average usage of a majority of fixed broadband customers, whatever is higher;
- (2) the Above-Baseline Performance Tier at speeds of 100/20, with 2 terabytes (TB) of monthly usage; and
- (3) the Gigabit Performance Tier with speeds at 1 Gbps/500 Mbps. with 2 TB of monthly usage.

Race suggests that the Above-Baseline Performance Tier should be set at 200 Mbps. as the download speed with 2 TB of data, which is a better mid-level speed between 25/3 and 1 Gigabyte speed. One reason for a faster mid-level speed is that Race is concerned that the FCC’s

current approach focuses only on residential users. This residential-only focus may be lingering as an anachronism rooted in the outdated High Cost Fund telephone program. The old High Cost Fund only funded basic telephone service for residences but not for businesses or anchor institutions on the principle that the more people connected at home the more valuable the telephone network was to all. But the telephone network paid for by the ratepayers also provides service to businesses and anchor institutions too. Broadband should not be different. **If the FCC is going to fund broadband to these rural, remote and Tribal areas, it should ensure adequate capacity is built for all potential community users, not just residential users.** To do otherwise is pennywise and pound foolish.

When deciding on speeds, RDOF applicants should be able to build to speeds that will cover the entire community in the project area. If an RDOF service area contains a first responder or an anchor institution such as a school, library, community college, or hospital that requires higher speeds, the RDOF applicant should be required to apply with speeds in the Above-Baseline or Gigabit Performance Tiers to ensure it can provide adequate bandwidth for all users in the community including first responders and anchor institutions.⁵ Similarly if first responders will be connected by the RDOF project, their unique needs should be addressed. For example, adequate reliability and redundancy⁶ should be funded to ensure the network stays up as long as possible during emergencies and disasters. In California, the CASF broadband infrastructure program makes *one investment* in funding the infrastructure build to the

⁵ The FCC adopted 25 Mbps. download/3 Mbps. upload as the new benchmark for advanced telecommunications capacity for residential service. Relying on the FCC's own E-rate Modernization docket and order, the FCC also set advanced telecommunications capacity for schools and libraries at 100 Mbps per 1,000 students and staff and, in the long-term, 1 Gigabit per second per 1,000 students and staff. This may be adjusted upwards with evidence of increasing bandwidth needs.

⁶ For first responders, redundancy to ensure reliability is very important.

community, taking in to account the residential households, businesses, anchor institutions, and first responders that will be served. Such a sensible approach should be similarly adopted by the FCC here.

Consistent with the above, Race supports CETF and SHLB in their call to include community anchor institutions and not just residents in the “locations” to be served by RDOF support recipients. Race agrees with SHLB’s assertion that high capacity broadband is the key infrastructure that libraries, K-12 schools, community colleges, colleges, universities, health clinics, public media, public housing, first responders and other anchor institutions need for the 21st Century challenges we face.

Race supports CETF in its recommendation that the FCC should prioritize the funding of rural deployment in states in which there are matching dollars from the state. Race agrees that all federal agencies – for example, the FCC, NTIA and USDA’s Rural Utilities Service – should be flexible in their grant programs to allow providers to consolidate funds to have the greatest impact on broadband deployment in unserved and underserved areas. There have been circumstances where California broadband providers received state CASF grants and sought federal funds for some of the matching fund requirement. However, given each program’s different requirements, trying to bring together the grants for a single project on the same timeframe proves to be almost impossible. Race specifically requests that the FCC should allow for the grant of RDOF funds if a state broadband fund has already been received by a RDOF applicant and the request is for matching funds.

Service Milestones. In the Notice, the FCC points out the difference between the number of locations specified by the Connect America Cost Model and the “facts on the ground.”⁷ Race agrees that this is a big issue. If a state utility agency or other non-profit broadband agency has corrected data about broadband availability in an area, the more granular data should be accepted if it shows no service or speeds below 25/3 to allow the applicant to apply for RDOF Phase I.

Additional Performance Targets: Race supports the service milestones proposed in the NPRM as they are similar to the CAF auction requirements. Race agrees with GeoLinks and joins in its opposition to a new proposal to require *subscriberhip* milestones for RDOF support recipients. It is Race’s understanding that the FCC is proposing to withhold a portion of support if the recipient does not meet specific subscriberhip milestones at the 70% level.⁸ Race does not think this is sensible, given these are areas where there may never have been broadband service. Lack of subscriberhip is more likely due to the residents not understanding the relevance of online capabilities to bettering their lives, affordability, or the lack of computer skills. If the FCC is concerned about ensuring subscriberhip, Race suggests the better path is to require the RDOF support recipient to market its services throughout the service area, and to conduct digital literacy and broadband education in concert with anchor institutions like libraries, schools, community centers and senior centers. A strict subscriberhip requirement may discourage prospective providers from bidding if support could be reduced, particularly in

⁷ NPRM, at para. 30, at p.11.

⁸ Notice, at paras. 40-42, at pp. 14-15 (Commission proposes to adopt subscriberhip milestones for RDOF support recipients and suggests milestone to be set at 70%, the subscriberhip level assumed by the CAM of the yearly deployment benchmark. The FCC would condition a portion of the recipient’s support on meeting specific subscriberhip milestones.).

unserved areas or very remote or Tribal areas where broadband awareness and income levels may be low.

Areas Eligible for Phase I and Phase II Auction. The FCC should include in Phase I eligible areas those areas where a state public utility agency (or other broadband state authority) has found that the actual data show an area is unserved at speeds below 25/3. The challenge process proposed at para. 48 of the Notice is not adequate to address the discrepancies in the current FCC broadband map.

WHEREFORE, Race respectfully requests that the Commission amend its RDOF proposals consistent with its comments above.

Respectfully submitted,

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September 20, 2019