



340 W. State Street
Athens, Ohio 45701

November 6, 2017

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Notice of *Ex Parte* in WC Docket No. 10-90

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide notice of an oral and written *ex parte* presentation in connection with the above-captioned proceeding.

On Friday, November 3, 2017, Tom Reid of Reid Consulting Group, met separately with Jay Schwarz, Legal Advisor to Chairman Pai; Travis Litman, Legal Advisor to Commissioner Rosenworcel; Jamie Susskind, Chief of Staff for Commissioner Carr; and Amy Bender, Legal Advisor to Commissioner O'Rielly. He also met with the following individuals in the Wireline Competition Bureau: Ryan Palmer, Division Chief, Telecommunications Access Policy Division (TAPD); Radhika Karmarkar, Deputy Division Chief, TAPD; and legal advisors Regina Brown, Dana Bradford, and Preston Wise.

The purpose of our meetings was to review Reid's concerns regarding residential broadband in rural areas and related issues regarding the Connect America Fund in the effort to resolve availability gaps. We discussed issues related to carrier performance, reverse auction sub-optimizations and proposed solutions.

Attached please find a corrected copy of the slides we discussed in our meetings.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.A. Reid", is written in a cursive style.

Tom Reid
Reid Consulting Group LLC

Attachment



FCC Connect America Fund:

Carrier Performance Issues, Reverse Auction Suboptimization and Proposed Solutions

Tom Reid

3 November 2017

President

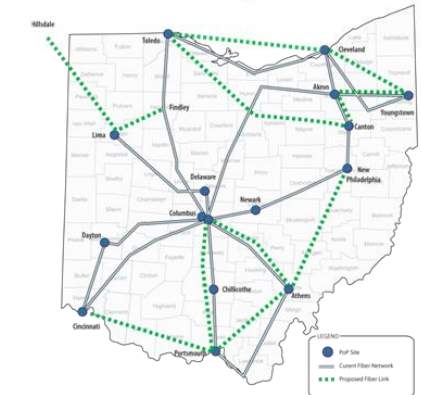
Tom@ReidConsultingGroup.com

740-590-0076



Extensive Broadband Experience

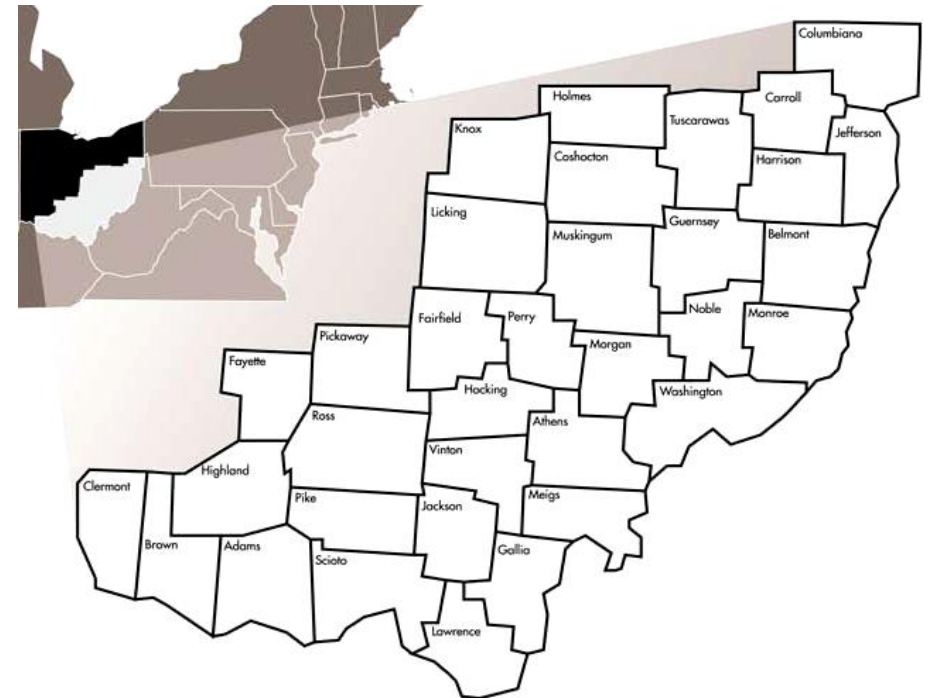
- Deep experience with every aspect
- Strong track record of success
- Funding from multiple Federal programs
- Leveraging private investment



Focus on Appalachian Ohio

An Extensible Example

- 34 rural Ohio counties
 - Includes the 10 poorest in Ohio
 - Childhood poverty at 25%+
 - Foothills of the Appalachian mountains
- Strong work ethic
- Impressive ingenuity
- Tremendous dedication of area leadership

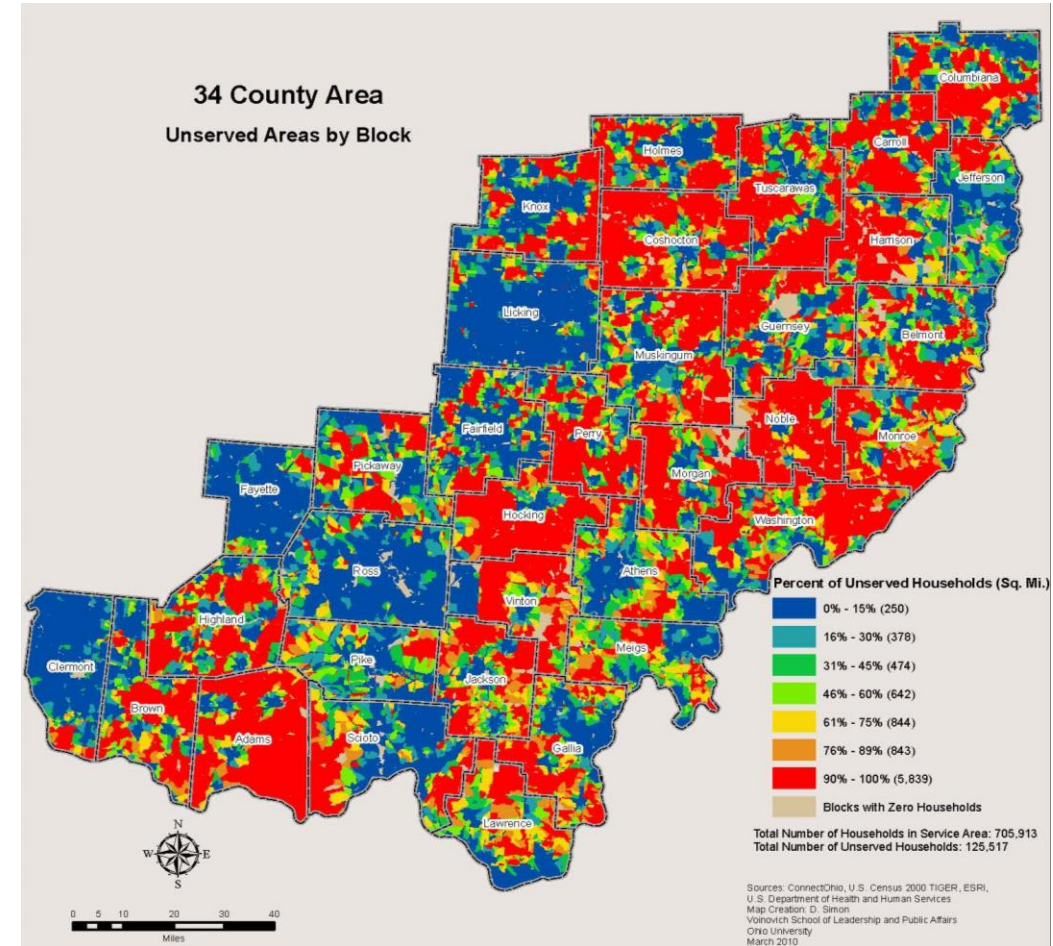




Lack of Residential Broadband Access

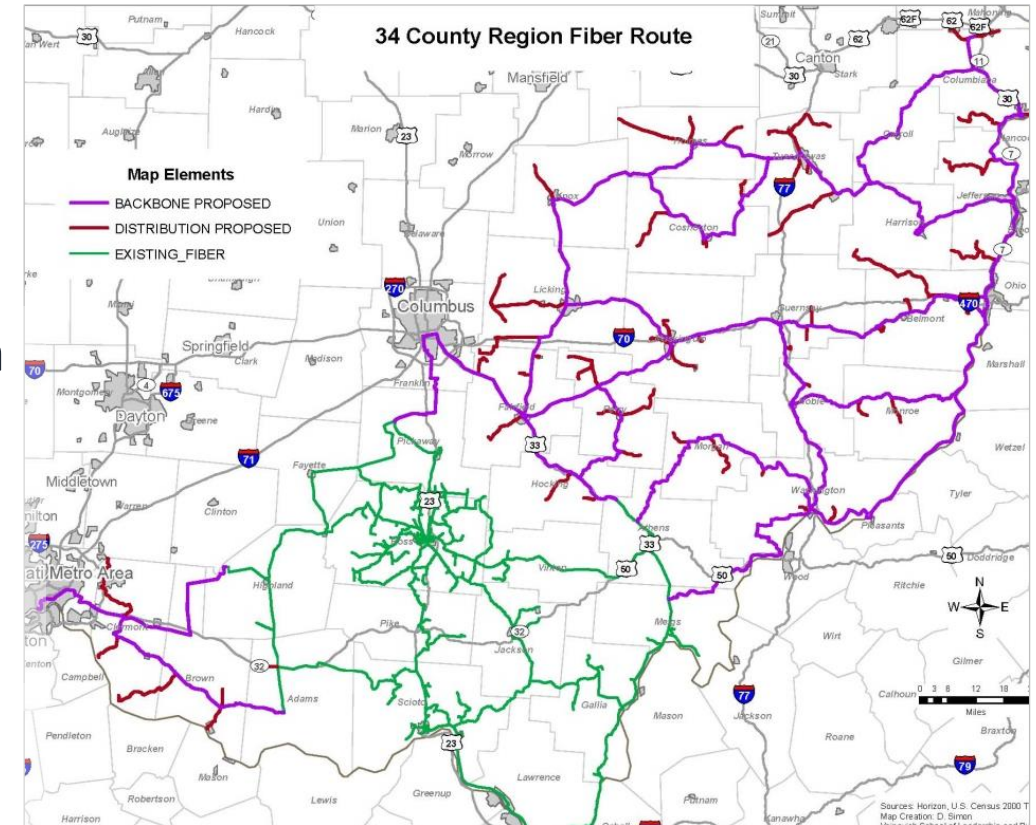
- In 2007, policy makers were declaring victory
- 95% of Ohioans had broadband available
- But the remaining 5% spread across a large area
- 58.9% of the service area lacked broadband of any kind
- A healthy economy and vibrant society now reliant on broadband
- Healthcare innovation requires residential broadband

Tremendous community partnership arose to address



Middle Mile Progress

- \$130 million in fiber network investment since 2007
 - FCC Rural Health Care Pilot Program \$16M
 - NTIA BTOP Program \$66 million
 - Private match of \$48 million
- Network custom designed to serve the entire region
 - 1,400 miles of fiber built
 - POP in every county
 - DWDM packet optical network (Fujitsu)
 - Redundant MPLS Layer 3 core (Juniper)
- Hundreds of health systems, K-12, higher education and governmental sites connected
- Dozens of small communities now with fiber Ethernet availability
- Rapid expansion of mobile services





FCC Connect America Fund Promise of a Last Mile Solution

Across the SOHCN's 34-county Ohio service area:

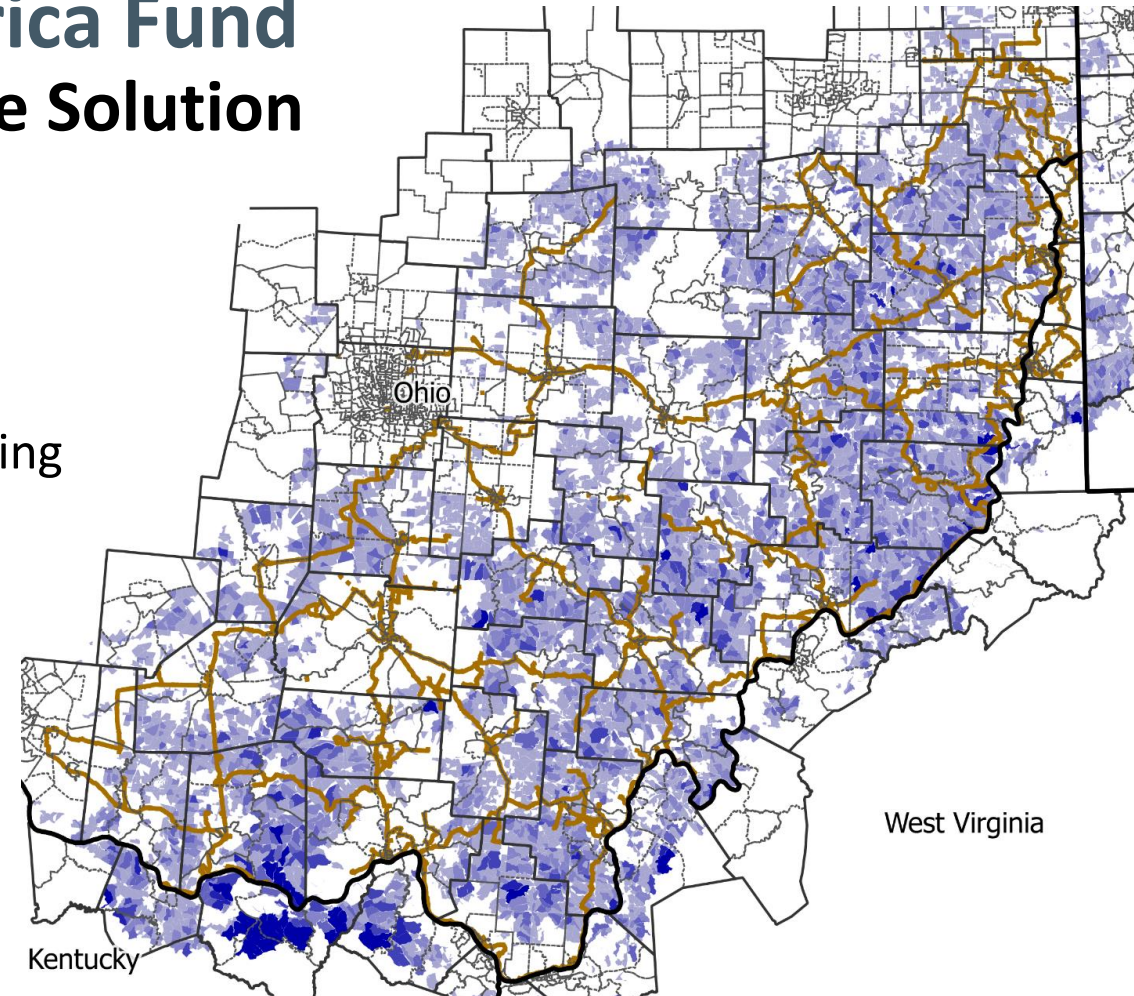
- \$330 million allocated to region from Connect America Fund over ten years
- Fiber deployed by Horizon for SOHCN and Connecting Appalachia well positioned to address needs

Additional Federal programs targeted enhancements and possible funding sources:

- FCC Mobility Fund
- FirstNet

Opportunity to truly solve the digital divide

Consortium was preparing to respond to competitive bidding with hybrid fiber and LTE design



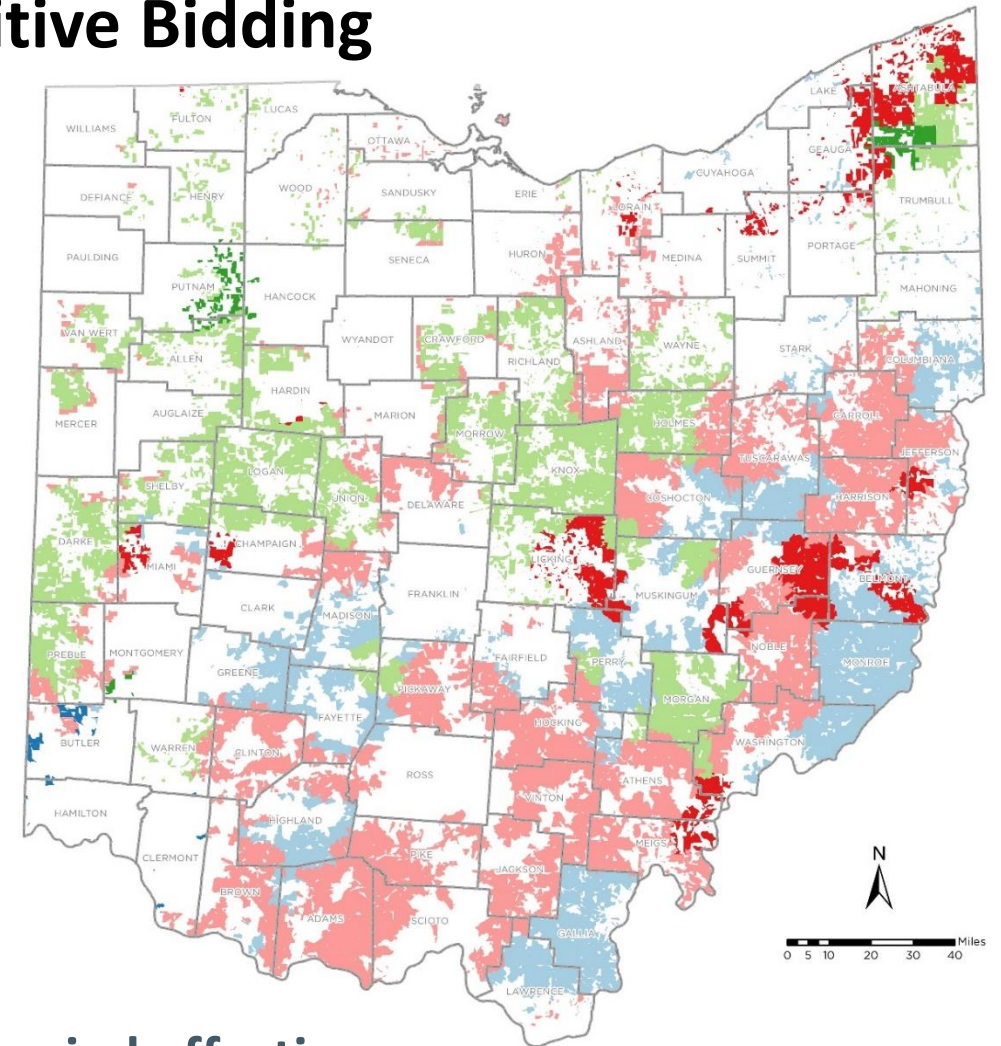
Mapping of FCC CAF Subsidy Available
Shade of blue indicates level of funding
Overlay of Horizon Telcom fiber routes

CAF Phase II Funding Awarded in Ohio

FCC Waived Competitive Bidding

- Frontier Areas Targeted for CAF Investment
- CenturyLink Areas Targeted for CAF Investment
- AT&T Areas Targeted for CAF Investment
- Windstream Areas Targeted for CAF Investment

Carrier	# of Locations	6-Year CAF \$
Frontier	66,592	\$137 million
CenturyLink	47,707	\$96 million
AT&T	37,603	\$89 million
Windstream	13,073	\$25 million



Fragmented approaches with varied effectiveness

Safeguarding the Public Interest

Nationwide, incumbents relying on dilapidated copper plant particularly troublesome

- Extending fiber “to the node” does not address the deteriorated condition of the copper plant, most still in service well beyond anticipated useful life
- Does not align with industry movement to abandon rural copper plant
- Lack of public transparency and questionable progress
- Weak service record where carriers’ broadband already available from weather and from oversubscription

Proposed Solution

- Audit carrier expenditures relative to mission of serving rural homes
- Assess technical feasibility over the life of the project, e.g. reliance on dilapidated copper plant
- Conduct end-to-end performance testing from multiple residential locations
 - Under variety of weather conditions
 - Determine level of oversubscription
- Freeze disbursements where non-performance or unsustainability identified
- Conduct competitive bidding for areas where disbursements frozen

Bidding Process Issues and Suggestions

Issues with Current Process

- Reverse auctions guarantee minimum functionality – a race to the bottom
- Sounds fiscally responsible but likely the opposite effect in the long-term
- Does not leverage funding from other programs
- Backtracking on 100% coverage requirement leaves most difficult-to-reach locations stranded for the foreseeable future

Proposed Solution

- Guarantee full CAF allocation to serve target area
- Combine funding from different programs, e.g. add Mobility Fund allocations to the CAF auction so respondents can address entire set of needs across a service area
- Allow mix of speeds with 10/2 minimum
- Return to requiring 100% coverage of households
- Score based on overall services profile
- Evaluate sustainability of technology choices



Licensed Frequencies in Rural Areas

Issues with Current Process

- Valuable spectrum licenses sold at auction
- Carriers purchase blocks in order to serve the urban population areas
- In rural areas the spectrum may never be deployed
- The 900 MHz and below bands particularly important in areas with heavy foliage
- Unlicensed options do not provide sufficient capacity or power

Proposed Solution

- Require either deployment of frequencies in entire licensed area or allow other operators to utilize these valuable resources for expanding rural services
- Will generate creative partnerships in responding to auctions, particularly if the FCC combines CAF and Mobility Fund into a single bidding process
- For instance, a fiber CLEC may build fiber-to-the-premise to towers while wireless carrier provides LTE frequencies, equipment and expertise for mobile and fixed wireless services