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Marlene Dortch
Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: Notice of Ex Parte Presentations (WC Docket No. 18-143; WC Docket No. 10-90; WC Docket No. 14-58) – The Uniendo a Puerto Rico and the Connect USVI Fund

Dear Ms. Dortch,

On December 11, Mary Henze, Cathy Carpino and the undersigned of AT&T met with Alexander Minard, Rebekah Douglas, and Talmage Cox of the Wireline Competition Bureau to discuss the Notice of Proposed Rulemaking in the Uniendo a Puerto Rico and the Connect USVI Fund proceeding. AT&T's advocacy in this meeting was consistent with the positions set forth in its comments filed on July 26, 2018.¹

Specifically, AT&T urged the Commission to move expeditiously to adopt its proposed Uniendo a Puerto Rico Fund and Connect USVI Fund Stage 2 funding for mobile providers (Stage 2 Mobility Fund) with some modifications. In particular, AT&T recommended that the Commission allocate funding between the territories based on the latest Census Bureau population figures and not based on the legacy amounts each territory received pre-hurricanes. As the Commission understands, those legacy amounts were tied to its long-obsolete identical support rule. Additionally, AT&T supports disbursing *all* Stage 2 Mobility Fund support amounts among mobile providers within each jurisdiction based on their FCC Form 477 filings. AT&T also urged the Commission to focus Stage 2 Mobility Fund obligations on restoration and hardening efforts and ensuring that 4G LTE is deployed throughout the mobile carrier's pre-hurricane coverage area. We asked the Commission to reject its proposal to impose Mobility Fund II (MFII) service obligations on these recipients. AT&T explained that the Commission has not yet finalized all of its MFII obligations and procedures and the MFII service requirements were based on a 10-year service term. By contrast, the Stage 2 Mobility Fund has a shorter 3-year service term, which is more appropriate for restoring and hardening wireless assets and ensuring that 4G LTE is available throughout the pre-hurricane coverage area.

AT&T noted that the Commission can and should move forward with its proposal for Stage 2 Mobility Fund with AT&T's relatively minor modifications. AT&T noted that, to do so, the Commission need not wait until it resolves the more complex policy issues associated with the proposed Uniendo a Puerto Rico Fund and the Connect USVI Fund Stage 2 fixed services fund (Stage 2 Fixed Fund).

¹ Comments of AT&T, WC Docket No. 18-143 (filed July 26, 2018) (AT&T Comments).



During the meeting, AT&T also discussed the Commission's proposed Stage 2 Fixed Fund. AT&T recommended that the Commission structure this fund like its Stage 2 Mobility Fund. Specifically, the Stage 2 Fixed Fund would disburse support for 2-3 years, which existing facilities-based service providers would use for restoring and hardening facilities. This would be followed by a longer term, competitively awarded Stage 3 Fixed Fund that would provide funding to expand broadband service to eligible areas (i.e., census blocks unserved by an unsubsidized competitor). Stage 3 funding would be available to any service provider, regardless of whether it filed a FCC Form 477 prior to the 2017 hurricanes.

If the Commission disagrees and decides to proceed immediately to longer term fixed funding for broadband expansion in Stage 2, AT&T recommends the Commission modify its proposed Stage 2 Fixed Fund as follows. First, funds should be awarded based on a competitive bidding process that should be open to any service provider, and not limited to carriers that filed a FCC Form 477 prior to the 2017 hurricanes. Even though AT&T does not recommend the Commission use an auction to select winning bidders, the Commission could require Stage 2 applicants to submit short forms in order to qualify applicants to bid for funding to address concerns that some applicants may not be qualified.

Second, funding should be used to expand broadband to currently unserved areas (i.e., the eligible census blocks), *not* to overbuild providers currently offering broadband service. The Commission should reject proposals to require Stage 2 Fixed Fund winning bidders to offer broadband across the entire bidding area² as this will cause overbuilding, which is inconsistent with the Commission's established USF principles. Regardless of whether the Commission selects the municipio or the census block group as the minimum geographic bidding area, a Stage 2 Fixed Fund recipient's broadband service obligation should only extend to the eligible census blocks within that geographic bidding unit.

Finally, given the need for expediency to continue this much needed USF program across Puerto Rico and the U.S. Virgin Islands and recognizing that there are likely to be a relatively small number of service providers competing for this funding in either jurisdiction, the Commission should strive for simplicity as it designs the competitive bidding process. In particular, AT&T recommends the Commission reject proposals to establish a complex weights matrix based on speeds, latency, data usage allowance, deployment due dates, and/or resiliency service obligations as some commenters have proposed.³ Instead, AT&T recommends that the Commission keep the bid evaluation simple – based solely on price. The Commission should establish the minimum speed, latency, data usage, retail pricing, and build milestone requirements, and allow providers willing to commit to those minimum service obligations to submit bids that the Commission will evaluate based on price.⁴

As for resiliency requirements, AT&T urged the Commission not to adopt resiliency requirements in this proceeding that are specific to Stage 2 Fixed Fund and Mobile Fund recipients. We noted that the Commission is considering these issues in other dockets and whatever decisions are

² See, e.g., Reply Comments of Liberty Cablevision of Puerto Rico, LLC (Liberty), WC Docket No. 18-143, at 8 (filed August 8, 2018) (Liberty Replies).

³ Liberty Replies, at 13-14; Letter from Hughes Network System, LLC, WC Docket No. 18-143 (filed October 23, 2018).

⁴ In the alternative, AT&T recommends that the Commission establish a simple weights matrix containing only different tiers of broadband speeds.



reached in those proceedings, the Commission should apply the same requirements to providers operating in these territories.

Should you have any questions related to these matters, please direct any questions to the undersigned.

Sincerely,

/s/

Raquel Noriega

cc:

Talmage Cox

Rebekah Douglas

Alexander Minard