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VIA ECFS

EX PARTE

December 3, 2014

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

Re: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

On December 1, 2014, Windstream President and CEO Jeff Gardner and Senior Vice President of Government Affairs and Strategy Eric Einhorn (hereinafter “Windstream”) met with Chairman Tom Wheeler, his Legal Advisor Daniel Alvarez, and Carol Matthey, Associate Chief of the Wireline Competition Bureau, regarding Phase II of the Connect America Fund (“CAF”). Windstream’s advocacy was consistent with its previous advocacy in the above-referenced proceeding, as well as the advocacy of the United States Telecom Association.¹

In particular, Windstream emphasized that a heightened speed requirement for CAF Phase II must be accompanied by a longer support and build-out term if Windstream is to participate meaningfully in the program. Providing 10/1 Mbps service in high-cost areas will require a massive extension of fiber, new remote terminal equipment, and reconfiguration of existing copper. Windstream would have to nearly triple its network deployment to meet even a six-year build-out requirement. Moreover, increasing build-out capacity is not simply a matter of increased manpower, but includes various factors beyond Windstream’s control, such as supply of fiber and network equipment, a limited number of qualified third-party vendors, rights of way issues, and the cooperation of electric companies.

¹ See, e.g., Letter from Jonathan Banks, United States Telecom Association, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-90, 14-58, 07-135, WT Docket No. 10-208, CC Docket No. 01-92 (November 13, 2014) (USTelecom Ex Parte); Letter from Jonathan Banks, United States Telecom Association, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (October 30, 2014); Comments of Windstream Corporation, WC Docket No. 10-90 (August 8, 2014).

To illustrate the scope of the CAF Phase II obligation, Windstream explained that through Round Two of the Rural Utilities Service’s Broadband Initiatives Program (BIP) and Round Two of CAF Phase I, it is adding about 110,000 new addressable broadband lines and upgrading at least 100,000 additional lines. CAF Phase I has a three-year build-out period, and BIP had a three-year deadline that has been extended for nearly two additional years because “[w]eather, seasonal conditions, and project volumes have posed challenges for . . . suppliers of goods and services and awardees.”² In CAF Phase II, Windstream will be required to provide broadband service to approximately 420,000 locations—twice as many as will be addressed with BIP and CAF Phase I, and many of which are higher-cost than the BIP and CAF Phase I locations. Moreover, the CAF Phase II program as a whole is supporting the provision of broadband service to more than 4.2 million locations, and Windstream will be competing with other providers for a limited quantity of third-party vendors and contractors. Windstream therefore suggested that the Commission modify the proposal as we understand it to include an additional year for build-out.

Please feel free to contact me if you have any questions.

Sincerely yours,

/s/ Malena F. Barzilai

Malena F. Barzilai

cc: Chairman Tom Wheeler
Daniel Alvarez
Carol Matthey

² See Letter from Jonathan S. Adelstein, Administrator, RUS, to BIP Awardees, at 1 (Oct. 7, 2010).