

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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| In the Matter of |) | |
| |) | |
| Connect America Fund |) | WC Docket No. 10-90 |
| |) | WC Docket No. 14-93 |
| Connect America Phase II Challenge Process |) | WC Docket No. 05-337 |
| |) | |
| High-Cost Universal Service Support |) | DA 14-1447 |

**Response of Charter Communications, Inc. to Connect America Phase II Challenges by
Mid-Communications, Inc. and Mankato Citizens Telephone Company**

Pursuant to the Bureau’s Order, *In re Connect America Fund, Connect America Phase II Challenge Process, High-Cost Universal Service Support*, Order, WC Docket No. 10-90 et al., DA 14-1447 (WCB rel. Oct 3, 2014), Charter Communications, Inc. (“Charter”) hereby respectfully submits this response to the served-to-unserved challenges filed in this proceeding by Mid-Communications, Inc. (“Mid-Com”) and Mankato Citizens Telephone Company (“Mankato”).

Mankato’s and Mid-Com’ challenges identify 793 census blocks the Commission had initially designated as ineligible for support under the Connect America Fund (“CAF II”) because they were already served by Charter (the “Challenged Blocks”).¹ Charter has undertaken a rigorous review of the Challenged Blocks and of the evidence submitted by the two challengers in support. It has reviewed its databases, pulled past billing data, analyzed maps of its plant and engineering information, as well as queried past records of its marketing campaigns

¹ While Mankato challenges 745 census blocks and Mid-Com challenges 54, six of the challenged blocks are overlapping as between the two challengers.

and investigated its online offerings to hundreds of representative addresses within the Challenged Blocks. In addition, it has reviewed and in many cases tested the evidence submitted by the two challengers.

Based on Charter's review, it respectfully responds that it serves at least 778 of the census blocks at issue and that both challenges should be denied accordingly. Charter is submitting evidence that, even applying conservative methods for identifying the census blocks in which Charter's facilities and customers are located, Charter serves at least 778 of the Challenged Blocks with both voice and broadband. Providing CAF II funding in these areas would be inconsistent with the Commission's goals, skew competition, and waste scarce public resources.

I. CHARTER SERVES THE CHALLENGED BLOCKS, AS SHOWN BY THE ACCOMPANYING DALEY DECLARATION AND SUPPORTING EXHIBITS.

Charter is submitting with this response evidence demonstrating its provision of voice (as well as broadband) services to the Challenged Blocks.²

First, with respect to the majority – at least 610 – of the Challenged Blocks, Charter has records of current or former customers, as evidenced by billing records and customer bills, and as confirmed by website screenshots from Charter's online service qualification ("OSQ") tool that Charter is submitting along with the accompanying Declaration of James Daley (hereinafter "Daley Declaration"). *See* Daley Declaration ¶¶ 6-10 & Appendices 505-1(A) & 505-1(B).

Second, there are a further 168 Challenged Blocks in which – although Charter cannot confirm via its records that any of its current or former customers are located within the blocks – Charter serves the requisite voice and data services, which Charter has identified through

² Neither Mankato nor Mid-Com challenges Charter's provision of broadband service, only Charter's provision of voice service, in the Challenged Blocks. However, because Charter provides voice services via Voice over Internet Protocol ("VoIP"), it can serve broadband to any address to which it provides voice services. *See* Daley Decl. n.4.

comprehensive review of its engineering maps and billing records, and confirmed by a sampling of marketing materials Charter has sent into the areas and as further confirmed by a sampling of screenshots from Charter’s website, which demonstrate offers that customers at representative addresses within those census blocks would see when inquiring regarding service on Charter’s website. *See* Daley Declaration ¶¶ 12-16 & Appendices 505-2(A), 505-2(B), & 505-2(C). As the Commission found in its September 26, 2014 Notice regarding responses for the CAF II challenge process,³ in many census blocks where providers have plant deployed and hold themselves out as providing service to the public, “low population density, high poverty, or recent/ongoing deployment” can “explain the lack of a current or former customer.” *See* September 26 Public Notice at 3-4. Accordingly, as explained in Charter’s accompanying petition for waiver, the Commission should consider those 168 census blocks likewise “served” for purposes of CAF II support eligibility, and similarly deny the challenges to Charter’s provision of service.

II. THE EVIDENCE RELIED UPON BY MANKATO AND MID-COM FAILS TO DEMONSTRATE THAT CHARTER DOES NOT PROVIDE SERVICE IN THE CHALLENGED BLOCKS.

Conversely, the evidence relied upon by Mankato and Mid-Com to challenge Charter’s provision of service in the Challenged Blocks fails persuasively to do so, and certainly cannot outweigh the evidence submitted by Charter as summarized in Part I *supra*.

Porting Data: First, both Mankato and Mid-Com rely on their own internal number-porting records, claiming that they have not ported numbers to Charter within the relevant census blocks since 2013. However, this is not a reliable method for ascertaining whether or not Charter (or any competing provider, for that matter) serves a census block. In census blocks where

³ *See* Replies Sought in Connect America Phase II Challenge Process, WC Docket No. 10-90 et al., DA 14-1397 (WCB rel. Sept. 26, 2014) (“Sept. 26 Public Notice”).

Charter has present customers but has not acquired additional voice customers from Mankato and Mid-Com in the past two years, and in census blocks where Charter serves the area but lacks current voice customers (either because Charter has former customers in the census block, or because customers or potential customers have not yet availed themselves of Charter's service options), it is entirely unsurprising that Mankato and Mid-Com would not have seen porting activity utilizing the process described.

Moreover, even in census blocks where Charter acquired voice customers from Mankato or Mid-Com within the past three years, looking at porting data would cause Mankato and Mid-Com to miss Charter subscribers that did not port numbers upon acquiring Charter's voice service. More than 70 percent of new Charter voice customers elect to receive a new telephone number as opposed to porting their existing number. The absence of porting activity to a competing provider within the census block during a two-year period is not a reliable proxy for whether competing providers are present.

GeoResults Data: Mankato and Mid-Com also both cite work product from a vendor, GeoResults, that they each hired to analyze the "portability status for customer telephone numbers" in the census blocks at issue. As described in the vendor's report, that process involved consulting a vendor-proprietary database of addresses within each census block, then geocoding those addresses and comparing them to the plant locations of various cable and telecommunications providers as reflected within another of the vendor's proprietary databases, as well as querying a further vendor proprietary database of telephone numbers associated with various addresses and then associating them with the relevant voice provider as reflected in yet another vendor-proprietary database. *See* GeoResults Report (attached to both Mankato and Mid-Com challenges).

The proprietary nature of the GeoResults databases prevents any meaningful inquiry into the accuracy or reliability of this process, or into the completeness of the databases upon which GeoResults relied to reach the conclusions it did. However, to the extent GeoResults relies upon present, in-use telephone numbers, its process would suffer from similar deficiencies as Mankato's and Mid-Com's consulting of their own internal porting data: GeoResults would have no ability to detect census blocks where Charter had a past voice customer, or where Charter serves an address but lacks a present voice customer at (*e.g.*, in instances where Charter might have broadband and/or cable video customers who could, but choose not to, subscribe to Charter's voice offering as well).

In any event, Charter is submitting evidence accompanying its response showing that it does, in fact, have voice and broadband customers (past or present), plant and/or serviceability records (*e.g.* from cable video subscribers who could easily add broadband or voice to their service packages upon request) in the census blocks at issue. *See* Daley Decl. and evidence cited therein. The fact that a third-party vendor using proprietary databases of unknown reliability lacks records of Charter's voice customers is not persuasive in the face of Charter's business records, the reliability of which has been tested through Charter's regular operations, and evidence accompanying this Response.

Screenshots from Charter Online Service Qualification Tool: Finally, Mid-Com (although not Mankato) also states that it queried "service addresses for city offices in each of its exchanges," and attaches a handful of screenshots purporting to show that Charter's website does not indicate the availability of service at those addresses. Mid-Com provides 10 such screenshots, one of which clearly shows that Charter broadband and voice services *are* available

for the address in question.⁴ And Mid-Com then jumps from those 10 screenshots to claiming in its Form 505, without further explanation, that a “website reference” is evidence of Charter’s non-provision of service with respect to *every* single census block it challenges. Mid-Com does not explain whether it searched addresses beyond the 10 for which it attaches screenshots, why it so limited its search, and how it leaps from 10 screenshots to 54 census blocks.

Charter’s Online Service Qualification Tool, as explained in the Daley Declaration, does not comprehensively cover every address that Charter serves or to which it can provide service. *See* Daley Decl. n.7. However, as shown in Appendixes 505-1(B) and 505-2(B), Charter’s Online Service Qualification Tool shows Charter clearly offering service at addresses within the vast majority of the challenged census blocks (in many cases in locations where Charter has existing or former customers). Therefore, while the full extent of the search that Mid-Com performed is not apparent from its filing, the evidence it submitted pertains only to a handful of addresses, is not meaningfully linked to the census blocks it challenges, and is easily outweighed by other evidence Charter is submitting in response, including substantially more voluminous screenshots from addresses within the census blocks at issue.

CONCLUSION

Charter respectfully requests that the Commission deny the challenges of Mankato and Mid-Com with respect to all census blocks listed in Charter’s accompanying Forms 505-1 and 505-2.

⁴ Mid-Com appears to misunderstand the screenshot, which shows that Charter offers broadband and voice services at the address in question, but that its advanced service offering, Spectrum (which includes additional high-definition video channels and even faster broadband speeds) is not yet available. *See* Daley Decl. ¶ 11(a)-(c).

Respectfully submitted,

Alexander Hoehn-Saric
Senior Vice President, Government Affairs
Christianna Lewis Barnhart
Vice President, Regulatory Affairs
CHARTER COMMUNICATIONS, INC.
1099 New York Avenue, NW
Suite 650
Washington, D.C. 20001
(202) 621-1900

/s/ Samuel L. Feder
Samuel L. Feder
Luke C. Platzer
Julie Straus Harris
JENNER & BLOCK LLP
1099 New York Ave., NW
Suite 900
Washington, D.C. 20001
(202) 639-6000

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