

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

In the Matter of)	
)	
Inquiry Concerning the Deployment of)	GN Docket No. 14-126
Advanced Telecommunications Capability to)	
All Americans in a Reasonable and Timely)	
Fashion, and Possible Steps to Accelerate)	
Such Deployment Pursuant to Section 706 of)	
the Telecommunications Act of 1996, as)	
Amended by the Broadband Data)	
Improvement Act)	

REPLY COMMENTS OF FRONTIER COMMUNICATIONS CORPORATION

I. INTRODUCTION

Frontier Communications Corporation (“Frontier”) submits these reply comments to the Federal Communications Commission’s (“Commission”) Notice of Inquiry (“NOI”) in the above-referenced proceeding.¹ In particular, Frontier takes this opportunity to reply to the National Cable & Telecommunications Association’s (“NCTA”) last-minute attack on the Commission’s Connect America Fund (“CAF”).² As the Commission and commenters recognize, CAF is among the Commission’s principle and most effective efforts for “encourag[ing] the deployment . . . of advanced telecommunications capability to all Americans.”³ NCTA, however, suggests that the Commission should abandon CAF just weeks

¹ *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, Broadband Progress Report and Notice of Inquiry, GN Docket No. 14-126 (rel. Feb. 4, 2015) (“*2015 Broadband Progress Report and NOI*”).

² Comments of the National Cable and Telecommunications Association, GN Docket No. 14-126 (Mar. 6, 2015).

³ 47 U.S.C. § 1302.

before it is set to release the right of first refusal to price cap incumbent local exchange carriers, which puts in motion a six-year nine-billion dollar program for deploying broadband to five million Americans living in rural areas.⁴ NCTA’s comments are baseless, and pursuing NCTA’s recommended course would contravene the Commission’s duties under Section 706 of the Communications Act and severely delay the deployment of broadband to rural America.⁵

II. THE NATIONAL CABLE AND TELECOMMUNICATIONS ASSOCIATION’S ELEVENTH HOUR ATTACK ON PHASE II OF THE CONNECT AMERICA FUND IS MISGUIDED

Frontier has a proven track record in bringing broadband to its high-cost, low-density rural service areas – areas that are often left unserved by any cable competitor. Frontier and other price cap carriers are in the process of investing private capital as well as more than \$438 million in CAF Phase I funding to “bring new broadband service to more than 1.6 million unserved Americans.”⁶ As the Commission has explained, CAF Phase I has “target[ed] subsidies for broadband and voice service to pockets of rural America where they are needed most.”⁷ As part of the second round of CAF Phase I, carriers have committed to match CAF funding with an equal investment of private capital.⁸

CAF Phase II promises to deliver even more benefits for rural America. As the Commission recognizes, “Phase II of the Connect America Fund . . . will provide nearly \$9 billion to expand broadband to five million Americans living in rural areas within the next five

⁴ See *2015 Broadband Progress Report and NOI* ¶ 17.

⁵ See *id.*

⁶ *Id.*

⁷ See FCC, *FCC Takes Major Strides Toward Further Expansion of Rural Broadband*, Press Release (Apr. 23, 2014).

⁸ *Connect America Fund*, Report and Order, 28 FCC Rcd 7766 ¶¶ 2, 16 (2013).

years,”⁹ and the right of first refusal for price cap incumbent local exchange carriers will be a key component of this program. Indeed, Chairman Wheeler specifically cites the Commission’s CAF efforts as an example of the immediate steps to ensure all Americans have access to advanced services.¹⁰ The role of price cap carriers and the right of first refusal is expected to be critical to the success of the program – as the Commission has explained, price cap carriers continue to be “in a unique position” to deploy robust broadband efficiently in their service areas.”¹¹ Like the first phase of CAF funding, Phase II is specifically targeted to the areas that most need funding, and unlike the competitive bidding supported by NCTA, the right-of-first-refusal is a statewide commitment that will not allow a carrier to simply bid on the areas it believes most profitable.

Commenters to the NOI agreed that moving swiftly forward with CAF Phase II and the right of first refusal is one of the fundamental ways the Commission can promote broadband deployment. As the United States Telecom Association (“USTelecom”) recognizes, CAF “offers an efficient, rational means of helping to expand access to all Americans,” and moving promptly forward with the program will ensure “that the benefits of the program can finally be realized for rural Americans.”¹² Likewise, ADTRAN emphasized the importance of beginning CAF Phase II “in a timely manner.”¹³

⁹ *Id.*

¹⁰ See Statement of Chairman Tom Wheeler, *Inquiry Concerning the Development of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, GN Docket No. 14-126 (Jan. 29, 2015).

¹¹ *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC 17663 ¶ 177 (2011) (“*USF/ICC Transformation Order*”).

¹² Comments of the United States Telecom Association, GN Docket No. 14-126 at 6 (Mar. 10, 2015).

¹³ Comments of ADTRAN, Inc., Docket No. 14-126 at 5 (Mar. 6, 2015).

Even if the Commission were to seriously entertain NCTA's last-minute suggestion in this NOI proceeding to reverse years of work underpinning CAF Phase II just as it is being implemented, NCTA's proposal is internally contradictory and without merit. The foundation of NCTA's critique of the right of first refusal is that it only funds carriers in deploying at speeds of at least 10 Mbps downstream / 1 Mbps upstream rather than the 25 Mbps upstream / 3 Mbps downstream standard newly adopted for purposes of the Section 706 report.¹⁴ Of course, the Commission explains that there is necessarily a tradeoff between the number of households reached and the speeds achieved, and the definition of broadband for purposes of the Section 706 inquiry is different than that for CAF, which relies on a 10 Mbps / 1 Mbps definition that better strikes the appropriate balance in reaching unserved locations.¹⁵

In proposing an increased speed threshold for the initial Phase II process, NCTA effectively suggests the Commission should upend this careful balance between reaching unserved and underserved Americans and achieving top broadband speeds. Upsetting this balance, as NCTA proposes, would require the Commission to rely much more heavily on the Remote Area Fund, which itself employs a less robust definition of broadband. In other words, NCTA does not disagree with funding 10 Mbps / 1 Mbps service for unserved and underserved households, it just argues that 25 Mbps / 3 Mbps speeds should be funded first in hopes of cable companies obtaining some portion of funding for the rural areas they have until now neglected. Moreover, this competitive bidding process would not ensure statewide deployment, as does the right of first refusal. As NCTA itself ultimately recognizes, there is necessarily a tradeoff in extending broadband speeds in rural America, and 10 Mbps / 1 Mbps speeds are "better than no

¹⁴ See NCTA Comments at 6-7.

¹⁵ See *2015 Broadband Progress Report and NOI* ¶ 54.

broadband.”¹⁶ With the imminent commencement of CAF Phase II, the right of refusal remains the best means of swiftly extending robust broadband service to all Americans.

III. CONCLUSION

As the Commission launches CAF Phase II in the coming weeks, the program, including the right of first refusal for price cap incumbent local exchange carriers, will extend broadband to five million Americans who were previously unserved or underserved. This program is set to extend broadband service almost immediately with funding provided for the current calendar year, and it will enable deployment capable of meeting evolving broadband performance obligations over the longer term, including for purposes of CAF Phase III.¹⁷ By proceeding expeditiously with its current plan for CAF Phase II, the Commission will promote broadband deployment to the Americans who need it most.

Respectfully submitted,

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¹⁶ NCTA Comments at 8.

¹⁷ See *Connect America Fund*, Report and Order, 29 FCC Rcd 15644 ¶ 18 (rel. Dec. 18, 2014).