Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Wireline Competition Bureau Seeks Comment	)	
on the Alliance of Rural Broadband	)	
Applicants' Petition for Limited Waiver of	)	WC Docket No. 10-90
Certain Rural Broadband Experiment Letter of	)	
Credit Requirements; Also Seeks Comment	)	WC Docket No. 14-259
More Generally on Letter of Credit Proposals	)	
for Connect America Phase II Competitive	)	
Bidding Process	)	

To: Chief, Wireline Competition Bureau

REPLY COMMENTS OF
THE WIRELESS INTERNET SERVICE PROVIDERS ASSOCIATION

The Wireless Internet Service Providers Association ("WISPA"), pursuant to the *Public Notice* released by the Wireline Competition Bureau ("Bureau") on January 30, 2015,[1] hereby submits these Reply Comments regarding the applicability of proposals made by the Alliance of Rural Broadband Applicants (the "Alliance")[2] to the Connect America Fund ("CAF") Phase II competitive bidding process. The comments submitted in response to the *Public Notice* fully support the relaxation of the letter of credit ("LOC") requirements in connection with CAF Phase II. Accordingly, any LOC requirements that the Commission may adopt for CAF Phase II should address the practical concerns raised by the commenters and should not be so onerous that they impede participation in CAF Phase II.

[1] *Public Notice*, "Wireline Competition Bureau Seeks Comment on the Alliance of Rural Broadband Applicants' Petition for Limited Waiver of Certain Rural Broadband Experiment Letter of Credit Requirements; Also Seeks Comment More Generally on Letter of Credit Proposals for Connect America Phase II Competitive Bidding Process," DA 15-140 (rel. Jan. 30, 2015) ("*Public Notice*").

[2] Alliance Petition for Waiver, WC Docket Nos. 10-90 and 14-58 (filed Jan. 27, 2015) ("Petition").

Discussion

In connection with the rural broadband experiment ("RBE") program, the Alliance submitted the Petition requesting that the Commission waive certain LOC requirements, such as the duration and amount of the LOC. In response to the Petition, the Commission sought comment on the Petition's applicability to CAF Phase II.

Significantly, no party submitted comments opposing the Alliance's proposal. In fact, each of the commenters recognizes that the RBE program's LOC requirements are simply too onerous for entities to comply.[3] Moreover, commenters echo WISPA's concerns that the LOC requirements for the RBE program are far too costly for support recipients.[4] By USTelecom's calculations, the LOC requirements as currently structured for the RBE program will cost recipients $1.2375 billion over the ten-year RBE program.[5] This money, as WISPA and others noted in their comments, could be used for other beneficial purposes, such as expanding broadband access, which is the overall goal of the CAF program.[6]

To be sure, there is "a more tailored approach [to LOC requirements that] accomplishes the same goal [of ensuring that funds are used as intended] without imposing overly onerous costs on a support recipient."[7] This approach would include the reduction in the duration and amount of any required LOC, as proposed by the Alliance[8] and US Telecom.[9] To ensure robust

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[3] Comments of WISPA, WC Docket Nos. 10-90 and 14-259 (filed March 30, 2015) ("WISPA Comments"); Comments of United States Telecom Association, WC Docket Nos. 10-90 and 14-259 (filed March 30, 2015) ("USTelecom Comments"); Comments of the National Rural Electric Cooperative Association, WC Docket Nos. 10-90 and 14-259 (filed March 30, 2015) ("NRECA Comments"); Comments of the National Rural Utilities Cooperative Finance Corporation, WC Docket Nos. 10-90 and 14-259 (filed March 30, 2015) ("CFC Comments").

[4] *See, e.g.,* USTelecom Comments at 3; CFC Comments at 6.

[5] USTelecom Comments at 3.

[6] *See* WISPA Comments at 2. *See also* CFC Comments at 6; USTelecom Comments at 3.

[7] USTelecom Comments at 3.

[8] *See* Petition.

participation in CAF Phase II competitive bidding, the Commission should adopt "more flexible LOC requirements that strike a better balance of cost and accountability."[10] Otherwise, LOCs will "drive up borrowing costs and . . . 'be a negative deciding factor for small companies nationwide who might otherwise participate in the Phase II bid, and consequently may adversely impact the general success of broader CAF goals, especially in rural areas.'"[11] Any rules that would undermine the success of the CAF program would be contrary to the public interest.

Conclusion

The record supports CAF Phase II financial requirements that do not impose prohibitive costs and barriers to participation in competitive bidding. Accordingly, WISPA urges the Commission to take into account the Petition, as well as the comments submitted in response to the *Public Notice*, in determining the financial requirements will be required for recipients of CAF Phase II funds.

Respectfully submitted,

WIRELESS INTERNET SERVICE PROVIDERS ASSOCIATION

April 13, 2015 By: */s/ Chuck Hogg, President*
/s/ Alex Phillips, FCC Committee Chair
/s/ Jack Unger, Technical Consultant

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[9] *See* USTelecom Comments at 2 (suggesting limiting LOC term to "the amount of money 'at risk' annually or at most within a one or two year range"). *See also* WISPA Comments at 6; NRECA Comments at 5.

[10] CFC Comments at 4.

[11] *Id.* at 6 (*citing* Comments of Computer 5, WC Docket Nos. 10-90 and 14-259 (filed Feb. 2015 [*sic*], 2015, at 1).