

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations that Inhibit Deployment of Next Generation Networks)	WC Docket No. 14-192
)	
In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up Lifeline and Link Up Reform and Modernization.)	WC Docket No. 11-42
)	
Telecommunications Carriers Eligible to Receive Universal Service Support)	WC Docket No. 09-197
)	

**WIRELINE COMPETITION BUREAU RELEASES LIST OF CENSUS BLOCKS WHERE
PRICE CAP CARRIERS STILL HAVE FEDERAL HIGH-COST VOICE OBLIGATIONS &
SEEKS TO REFRESH THE RECORD ON PENDING ISSUES REGARDING ELIGIBLE
TELECOMMUNICATIONS CARRIER DESIGNATIONS AND OBLIGATIONS**

DA15-851

Reply Comments of the Wyoming Public Service Commission

September 24, 2015

The Wyoming Public Service Commission (WyPSC) hereby replies to comments submitted by USTelcom and CenturyLink in the above-captioned matters. As explained in our previous comments, the FCC's broadband business case gap analysis and Connect America Model lacks sufficient focus to properly treat extremely high-cost (XHC), sparsely populated rural areas in Wyoming.¹

From WyPSC's perspective, the FCC is seeking comment on the continuing voice obligation for CenturyLink in unsupported areas at the request of price-cap carriers seeking relief from the obligation. We are concerned the FCC has yet to realign Frozen Support to sustain an obligation for price-cap ETC's

¹ Please see our comments of June 12, 2010, responding to the FCC's April 21, 2010, NOI and NPRM in this continuing matter, our initial comments of April 18, 2011, and our reply comments of May 23, 2011. The comments we file herein are intended to be taken together within the context of our Connect America comments.

to offer voice service in XHC areas given CenturyLink's refusal of the CAF Phase II Final Offer for Wyoming in favor of continuing Frozen Support², and uncertainty regarding the results of future competitive bid reverse-auctions,³

Under the status quo, which we urge the FCC to maintain, CenturyLink will continue to receive frozen high-cost support pursuant to the long-standing ETC voice obligation throughout its Wyoming service area. In states where the incumbent price-cap carrier rejected CAF II support, we recommend that all census blocks, including those above XHC, receive a portion of the Frozen Support for the immediate future. Following the competitive bidding process, census blocks not awarded to a carrier would continue to receive Frozen Support. Because the census blocks not awarded CAF II support would include some census blocks included in the CAF II support offering and all blocks above the XHC threshold, all non-CAF II supported census blocks would receive Frozen Support.

Until the FCC holds an auction, CenturyLink, having declined the CAF II final offer, will continue to receive Frozen Support throughout its Wyoming service territory. Thereafter, a winning bidder, potentially CenturyLink, would proceed under a new support regime to serve census blocks bid and won at auction. The auction will include all census blocks for which CAF II support was offered. A bidder may also bid to obtain support for a XHC census block.⁴ It is possible not all CAF II offered census blocks will be successfully bid and probable that many XHC census blocks will receive no bids. Under the proposal set forth for comment, the ETC's voice obligation is unknown. We do not know which census blocks will be bid, or won, or who will win them. Nor do we know whether rural customers in those XHC areas will be served by a carrier under a voice obligation. Consequently, we object to

² CenturyLink accepted the approximate \$500 million offer in 33 other states.

³<http://www.prnewswire.com/news-releases/centurylink-to-bring-broadband-to-12-million-rural-households-in-33-states-300134032.html>, visited August 27, 2015.

⁴ It remains unclear how support for XHC census blocks will be determined and from which part of the FCC's high cost budget that support will be allocated.

reducing the ETC obligation until there are specific, predictable and sufficient federal and state mechanisms to preserve and advance universal service.

Until the \$100 million remote areas fund has been designed and funding allocated, we believe the incumbent carrier must be required to maintain voice service in the remote areas. Otherwise, hundreds or thousands of Wyoming customers would be exposed to the possibility of having no supported voice service and no economically practical alternative to supported voice service, impairing commercial activity, access to health care, access to emergency service, and other activities enabled by access to voice service. Under the CAF, incumbent carriers received a substantial benefit in the right of first refusal for CAF II support. Requiring continued provision of voice service until the remote areas fund has been designed and implemented may or may not represent a cost⁵ to the carrier. If it does, the cost is attendant to the current franchise and the voice obligation should not be eliminated until an alternative mechanism is established.

CenturyLink notes⁶ and supports USTelecom's proposal for reallocating Frozen Support when price-cap carriers have accepted or declined CAF Phase II support.⁷ USTelecom proposes allocation of Frozen Support to high-cost census blocks lacking a competitive broadband presence in proportion to the amount of support distributed to the census block according to the Connect America Model.⁸ We recommend the USTelecom formula be amended to include all XHC census blocks in the allocation. XHC census blocks should be included because the amount of Frozen Support was highly dependent on cost of serving XHC census blocks. That is, Frozen Support was based on the narrowband Model Support and Interstate Access Support mechanisms, so carriers received support based on high cost areas

⁵ Serving remote areas may not be a cost because (1) net embedded plant may be zero or negative and therefore there are no capital cost related to those areas and (2) revenue may be greater than actual expenses even though revenue may be less than forward-looking expenses.

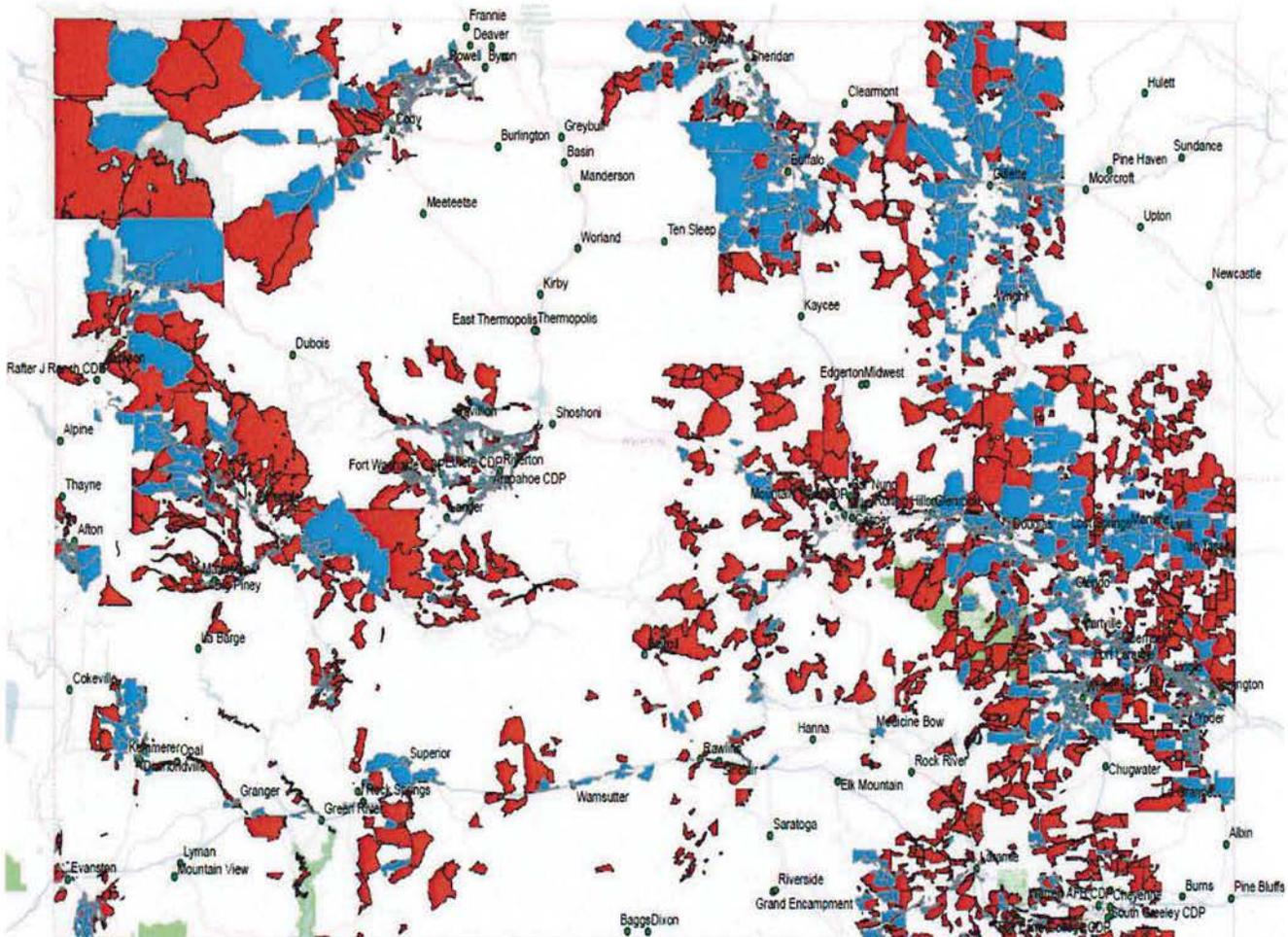
⁶CenturyLink comments at page 3.

⁷ Ex parte letter from Jonathan Banks (USTelecom) to Marlene H. Dortch (FCC), Connect America Fund, WC Docket No. 10-90 (Apr. 3, 2015).

⁸ Id, page 1.

in their service territories. Neither excluded XHC areas from their support algorithms, so XHC census blocks were included and would have received the highest levels of support. Only XHC census blocks currently served by an alternative provider that meets the FCC’s public interest obligations would be excluded under the USTelecom proposal. Since cable providers seldom serve XHC census blocks, the number excluded in the USTelecom proposal could approach zero in most areas.

The following map illustrates the CAF Phase II Final Offer to Wyoming’s sole price-cap carrier, CenturyLink.⁹ Blue areas were eligible for funding under the CAF Phase II Final Offer rejected by CenturyLink. XHC areas in red were ineligible for funding according to the Model because they exceed the upper cost threshold of \$198.60 per month.



⁹ <https://www.fcc.gov/maps/fcc-connect-america-phase-ii-final-eligible-areas-map>, Visited August 21, 2015.

USTelecom proposes elimination of ETC voice service obligations and designations where a price cap carrier receives no high-cost support. Our recommendation would provide support either as CAF II support or Frozen Support to all census blocks in the XHC areas and to all census blocks eligible for CAF II support. The USTelecom proposal would release carriers from the voice obligation in census blocks with estimated forward-looking cost between \$52.50 and \$198.60 and at least one alternative provider of services that match the FCC's public interest obligation. Even with the limited number of census blocks where the proposed voice obligation relief may be granted, we are concerned that in many locations broadband services would be unavailable due to census block size. That is, a census block is marked served if at least one location in that census block is served. In small urban census blocks, if one location is served, it is likely that most locations in the census blocks are served. That is far less likely in larger rural census blocks existing in Wyoming. Until the FCC determines that at least 90% of locations in a census block received 10/1 mbps service, incumbent carriers should be obligated to provide voice service in census blocks with an estimated cost above \$52.50.

Forbearance of ETC voice only obligations in XHC areas would be an abandonment of statutory responsibilities and, if made before XHC universal service support methods have been targeted, would be premature. We strongly encourage continuation of ETC voice obligations on behalf of our rural consumers.

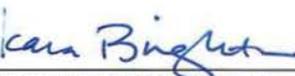
Respectfully submitted September 24, 2015.



ALAN B. MINIER, Chairman



WILLIAM F. RUSSELL, Deputy Chairman



KARA BRIGHTON, Commissioner