



Competitive Carriers Association
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November 16, 2015

Via ECFS

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

Re: NOTICE OF EX PARTE
WT Docket No. 10-208: *Universal Service Reform - Mobility Fund*

Dear Ms. Dortch:

On November 12, 2015, Rebecca Murphy Thompson, Tim Donovan, Courtney Neville, and I met with Roger Sherman, Jim Schlichting, Margaret Wiener, Gary Michaels, Sue McNeil, and Paroma Sanyal (via telephone) of the Wireless Telecommunications Bureau regarding the above-referenced proceeding. During the meeting, Competitive Carriers Association (CCA) expressed support for the Commission's efforts to reform the Universal Service Fund (USF) to enable consumer-demanded wireless services in rural America. In reforming the program, CCA urged the Federal Communications Commission (FCC or Commission) to be mindful of its goal of making funding available for deployment of mobile broadband networks to portions of the country that are currently unserved, while continuing to ensure that required preservation funding is made available so that consumers do not lose their wireless service. To achieve these objectives, CCA and the Commission discussed the benefits and challenges of creating a new Mobility Fund II.

During the meeting, CCA discussed the possibility of creating a new Mobility Fund II.¹ Specifically, CCA discussed as outlined below a program established with a sufficient budget consisting of targeted support to preserve existing service where necessary while also expanding mobile broadband where services are unavailable, to be repeated consecutively over a period of two to four years.

¹ *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 ¶ 1121 (rel. Nov. 18, 2011) (“*Transformation Order*”).

Preserving Service Where Needed. To ensure that areas currently served, in part through previous USF investment, remain served, the Commission should provide ongoing funding necessary for maintaining existing infrastructure and service where needed (“preservation support”). Carriers would be required to make a showing that preservation support is necessary for ongoing maintenance of service. The FCC could achieve this through a testing mechanism conducted on a site-by-site basis using a standardized set of maintenance costs, for example property taxes, site maintenance fees, tower rent, access and backhaul, and pro-rata share of necessary operation costs, as compared to revenues. Providers that fail to offer the required proof, or who choose not to make a showing that preservation support is necessary, will not receive ongoing preservation support for the first funding cycle under this mechanism, and the FCC will resume the phase-down of legacy identical support at a predictable rate as proposed in the FCC’s *Transformation Order*.² Because carriers will need to prove that continued preservation support is necessary, this approach will help to ensure that support flows to areas where it is needed while keeping Mobility Fund II disbursements on budget.

Expanding Mobile Broadband Services. Following distribution of preservation support, the FCC would then distribute all remaining funds in the Mobility Fund II budget for one-time expansion support. Service providers would be eligible for targeted, one-time support to expand wireless infrastructure in areas where services are unavailable (“expansion support”), with an opportunity to qualify for preservation funding every two to four years based on need. In this round, a carriers’ eligibility for one-time expansion support will be determined based on areas that are currently unserved by 4G LTE service. In the event that the Commission does not disburse all the budgeted one-time expansion support, remaining funds could be reduced from the budget of the next full-funding cycle.

CCA expressed continued support for the Commission’s overarching goals of ensuring universal availability and maintenance of modern wireless networks capable of providing advanced mobile broadband service to all Americans. Likewise, CCA emphasized that Mobility Fund II must support both preserving service where it is otherwise uneconomical to continue providing service and expanding service in rural and hard-to-reach areas where services are otherwise unavailable.

² *Transformation Order* ¶¶ 29, 502.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

/s/ Steven K. Berry

Steven K. Berry, President & CEO
Rebecca Murphy Thompson, General Counsel
Competitive Carriers Association

cc (via email): Roger Sherman
Jim Schlichting
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