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Via ECFS

December 17, 2015

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

Re: *Connect America Fund, WC Docket No. 10-90; ETC Annual Reports and Certification, WC Docket No. 14-58*

Dear Ms. Dortch:

This ex parte notification is being submitted under Section 1.1206 of the Commission's rules. On December 15, 2015, Martha Duggan, Senior Principal, Regulatory Affairs for the National Rural Electric Cooperative Association ("NRECA") and the undersigned met with Stephanie Weiner, Legal Advisor to Chairman Wheeler, with Travis Litman, Legal Advisor to Commissioner Rosenworcel, and Nick Begani, Legal Advisor to Commissioner Pai, regarding principles to govern the Connect American Fund Phase II ("CAF Phase II") reverse auction.

NRECA provided the attached list of electric cooperatives that had filed applications for Rural Broadband Experiment ("RBE") funding and have been either "authorized," selected as "ready to authorize grantees" or designated as "next in line bidders." Most of these cooperatives filed for high capacity Tier 1 funding, proposing fiber-based networks. Subject to possible reclassification of certain census blocks, the "next-in-line" bidders will be eligible to bid for CAF II support in the census blocks covered by their RBE applications and in areas in which price cap carriers declined state-wide support.

NRECA conveyed the importance of reliable, "future-proof" broadband service to the residents, schools and businesses in the rural communities served by electric cooperatives. A number of cooperatives are spearheading the delivery of fiber-based broadband service for two reasons. First, cable operators, telephone companies and independent ISPs, such as Google, have shown no inclination nor announced plans to build fiber-based networks that are being deployed, planned or under consideration for much larger urban/ex-urban metropolitan areas. Thus, the urban/rural disparity identified in the Commission's *2015 Broadband Progress Report* continues unabated. Second, fiber-based networks support community-wide economic, social, and educational advancements. Technology, manufacturing and logistics companies are locating

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data centers, disaster recovery sites, call centers, manufacturing plants and distribution facilities in areas that have or are planning fiber-based infrastructure.

An inherent value of fiber-based networks is that they provide essential backhaul for both mobile broadband and fixed wireless (Wi-Fi) services. NRECA member companies deploy dark fiber that is utilized by major wireless carriers to extend 4G and in the future 5G networks into rural areas and to support community WiFi in rural communities. Neither fixed wireless nor satellite-based broadband provides comparable support for broadband infrastructure expansion in rural communities.¹

Simply put, fiber-based networks are the most capable in terms of addressing the rural/urban disparity in broadband deployment that is a central finding of the Commission's *2015 Broadband Progress Report* and for meeting the Commission's directive that participants in the CAF Phase II reverse auction deploy "future proof" infrastructure capable of meeting evolving broadband performance obligations.

NRECA also emphasized that the cooperative principle of community service is central to electric cooperatives' interest in broadband. Unlike national carriers focused on allocating resources to maximize profits or to maintain their competitive positions, interested electric cooperatives are committed to delivering fiber-based broadband at reasonable rates to provide an essential service to their rural communities.

For these reasons, NRECA supports auction principles that recognize the long-term, broad-based advantages of fiber-based networks. These principles will encourage participation by a number of electric cooperatives that are both deeply interested in deploying broadband networks in their rural communities and capable of meeting the technical and financial standards the Commission has established for bidders in the CAF Phase II reverse auction.

¹ This is the central premise of the Commission's E-Rate Modernization program. Funding has been refocused toward fiber-based last mile broadband transport to schools and libraries that enables E-rate-supported, on-campus high capacity WiFi.

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NRECA looks forward to working with the Commission to fine-tune and develop these auction principles. Please feel free to contact the undersigned with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C. Douglas Jarrett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

C. Douglas Jarrett

Attachment

cc: Stephanie Weiner
Travis Litman
Nick Begani

Electric Cooperative RBE Applicants

Entity Name
BARC Electric Cooperative**
Barry Electric Cooperative, Inc.
Co-Mo Comm, Inc.
Douglas Services, Inc.**
Fall River Rural Electric Cooperative, Inc.
French Broad Electric Membership Corporation
Illinois Rural Electric Cooperative
Kit Carson Electric Cooperative
Lake Region Technology & Communications, LLC
Midwest Energy Cooperative d/b/a Midwest Connections*
North Arkansas Electric Cooperative Incorporative
Orcas Power and Light Cooperative
Ozarks Electric Cooperative Corporation
United Electric Cooperative, Inc.
Valley Electric Association, Inc.
Volunteer Energy Cooperative
Allamakee-Clayton Electric Cooperative, Inc.**
Meriweather Lewis Electric Cooperative

*Provisionally Selected to Receive RBE Grants

**Authorized RBE Grantee