



May 19, 2016

Ex Parte

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On Wednesday, May 18, 2016, Melissa Newman (CenturyLink), AJ Burton, Mike Saperstein and Jenn Schneider (Frontier), Malena Barzilai (Windstream), and I had a conference call with Stephanie Weiner (Office of the Chairman) to discuss support for the delivery of voice services by price cap carriers that have elected to participate in the Connect America Fund ("CAF") 2 program to the extremely high-cost rural areas in those states that are excluded from CAF 2 support. The Commission has recognized that without providing support for the delivery of voice services in these areas, it "cannot reasonably predict that the price cap carrier or another provider would have a business case to maintain voice service at reasonably comparable rates."<sup>1</sup>

During the call, USTelecom discussed the necessity of providing interim funding to ensure continued voice service to extremely high-cost areas where price cap carriers accepted the offer of CAF Phase 2 support – areas that are currently unfunded even though price cap carriers retain the obligation to serve them.<sup>2</sup> Since the very beginning of the CAF program, the Commission has recognized that "ETC service obligations and funding should be 'appropriately matched, while avoiding consumer disruption in access to communications services.'"<sup>3</sup> USTelecom has long advanced a solution to ensure funding is appropriately matched with obligations in the extremely high-cost areas.<sup>4</sup> With the upcoming CAF 2

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<sup>1</sup> Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c), WC Docket No. 14-192 (rel. Dec. 28, 2015) at ¶ 114.

<sup>2</sup> See, e.g., Letter from L. Charles Keller, Counsel to Frontier, to Marlene Dortch, Secretary, FCC, Docket No. 10-90 (Feb. 23, 2016) ("Interim Voice Support Proposal Letter").

<sup>3</sup> See 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, Public Notice, 30 FCC Rcd 7417 (2015) ("Public Notice") (quoting Connect America Fund, et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 ¶ 1089 (2011) ("USF/ICC Transformation Order")).

<sup>4</sup> See Letter from Jonathan Banks, USTelecom, to Marlene Dortch, FCC, Docket No. 10-90 (Apr. 3, 2015) ("USTelecom Ex Parte"); see also Comments of USTelecom, Docket Nos. 10-90, 10-208, 14-58, 07-135, and 01-92 at 25-26 (Aug. 8, 2014).

auction framework order, USTelecom supports the proposal to reallocate legacy support on a state-by-state basis in states where a price cap carrier has accepted CAF 2 obligations that Frontier and CenturyLink have put forward.<sup>5</sup>

The parties also discussed how this funding would not only ensure the continuity of voice service but also help to maintain and promote broadband. Indeed, recognizing that this interim support is effectively an extension of frozen support, the Commission could require – as in the frozen support program – that a reasonable portion of this interim support go towards “building and operating broadband-capable networks.”<sup>6</sup> While these areas are, by definition, the most costly to serve and the interim proposed funding would cover only a fraction of what the model predicts is required, carriers could ensure that one-fifth of this funding is devoted to broadband in these areas. Specifically, the Commission could require that one-fifth of support go towards “building and operating broadband-capable networks used to offer [a provider’s] own retail broadband service in areas substantially unserved by an unsubsidized competitor” at the holding company level.<sup>7</sup> As the Commission explained when it adopted the frozen funding framework, this interim funding would spur “immediate and material broadband deployment pending implementation of CAF competitive bidding.”<sup>8</sup>

USTelecom also notes the recent outpouring of support including from local fire chiefs,<sup>9</sup> sheriffs,<sup>10</sup> mayors,<sup>11</sup> county executives,<sup>12</sup> and elected state representatives for the FCC to continue supporting voice

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<sup>5</sup> See Interim Voice Support Proposal Letter.

<sup>6</sup> See USF-ICC Transformation Order, FCC 11-161 ¶ 148 (2011); Connect America Fund, Order 28 FCC Rcd 14887 ¶ 11 (2013); 47 C.F.R. § 54.313(c)(3).

<sup>7</sup> See USF-ICC Transformation Order, FCC 11-161 ¶ 148 (2011); Connect America Fund, Order 28 FCC Rcd 14887 ¶ 11 (2013); 47 C.F.R. § 54.313(c)(3).

<sup>8</sup> USF-ICC Transformation Order ¶ 151.

<sup>9</sup> See, e.g., Letter from Ben Thompson, Chief, Glacier Fire & Rescue, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from the Fire Chief and Mayor of Grand Tower, IL, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016).

<sup>10</sup> Letter from Jim McCabe, Sheriff, Mohave County, AZ, Robert J. DeVries, Chief of Police, City of Kingman, AZ, Jake Rhoades, Fire Chief, City of Kingman, AZ, and Joseph Dedman Jr., Sheriff, Apache County, AZ, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from Raymond P. Maycumber, Sheriff, Ferry County, Washington, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016).

<sup>11</sup> See, e.g., Letter from Barbara Tolbert, Mayor, City of Arlington, WA, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from John Klaffer, Mayor, Brookport, IL, and Dustin Turska, Police Chief, Brookport, IL, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from Patrick Plumb, Mayor, City of Tonasket, WA, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from John Klaffer, Mayor, Brookport, IL, and Dustin Turska, Police Chief, Brookport, IL, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016).

<sup>12</sup> See, e.g., Letter from Dave Somers, Snohomish County Executive, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly, Docket No. 10-90 (May 12, 2016); Letter from Jack Louws, Whatcom

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service.<sup>13</sup> These local public safety officials and elected representatives explain that it is critical for the FCC to continue supporting the maintenance of voice service in extremely high-cost areas because, as the FCC has recognized, there is no business case to deliver service in these areas without support, and these areas are especially vulnerable to extreme weather events. These officials explained that Commission action here is critical not only for maintaining safety-of-life 911 services, but also for maintaining reverse 911 service, which allows first responders to reach out to residents of these extremely rural communities and warn them of natural disasters such as flooding, mudslides, and wildfires.

Please do not hesitate to contact the undersigned if you have questions or concerns.

Sincerely,



Jonathan Banks  
Senior Vice President, Law & Policy

c: Stephanie Weiner  
Rebekah Goodheart  
Nick Degani  
Travis Litman  
Amy Bender  
Carol Matthey

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County Executive, to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O'Rielly, Docket No. 10-90 (May 13, 2016).

<sup>13</sup> See, e.g., Letter from Washington State Senator Kirk Pearson and Washington State Representative Dan Kristiansen to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O'Rielly, Docket No. 10-90 (May 12, 2016); Letter from Washington State Senator Linda Evans Parlette, Washington State Representative Brad Hawkins, and Washington State Representative Cary Condotta to Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O'Rielly, Docket No. 10-90 (May 12, 2016).