SOVERNET
COMMUNICATIONS

July 13, 2010

Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **Corr Wireless Communications, LLC, Request for Review of a Competitive Eligible Telecommunications Carrier High-Cost Support Decision of the Universal Service Administrative Company;**
WC Docket No. 05-337; CC Docket No. 96-45

Dear Chairman Genachowski:

On behalf of Sovernet Communications ("Sovernet"), I write concerning the appeal of a letter decision of the Universal Service Administrative Company filed by Corr Wireless in the above-captioned proceeding.[1] Sovernet is a facilities-based CLEC operating in Vermont. Founded in 1995, Sovernet is Vermont's first and largest locally operated statewide competitive provider of residential and business telephone and Internet services, serving customers in both urban and rural areas throughout much of the state.

Recently, Sovernet filed an application to become a Competitive Eligible Telecommunications Carrier ("CETC") with the Vermont Public Service Board ("PSB"). That application remains pending. The purpose of Sovernet's ETC application is to obtain eligibility to draw from the federal universal service fund and expand the company's facilities in rural, high-cost portions of Vermont.

I am very concerned that a denial of the relief sought by Corr Wireless will have negative consequences for the State of Vermont, and Sovernet's ability to expand our network within the state. As Sovernet understands it, the National Broadband Plan ("NBP") recommended that all high-cost support

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[1] Request for Review by Corr Wireless Communications, LLC of Decision of Universal Service Administrator, CC Docket 96-45, WC Docket No. 06-122 (filed Mar. 11, 2009) (Request for Review); *see also Corr Wireless Request for Review of a Competitive Eligible Telecommunications Carrier High-Cost Support Decision of the Universal Service Administrative Company*, WC Docket No. 05-337, CC Docket No. 96-45, DA 09-805 (rel., Apr. 9, 2009).

that is voluntarily relinquished by other carriers will not be made available to other ETCs in a given state, rather the support will be returned to the high-cost fund to be used for other purposes.

Verizon Wireless was the only CETC in Vermont until it voluntarily chose to relinquish its ETC status. Verizon Wireless acquired its ETC designation by virtue of the ETC designation granted to RCC Atlantic, Inc., a subsidiary of Rural Cellular Corporation, which was acquired by Verizon Wireless in 2009.

At the time Verizon Wireless relinquished its CETC status, the state drew approximately $6 million in annual CETC high-cost support, an amount fixed as of the implementation of the FCC's interim cap. Today, there are no CETCs operating in Vermont.

If the NBP's recommendation is adopted, and support formerly flowing to Verizon Wireless is repurposed, Vermont will be left with zero dollars of high-cost support. Put simply, neither Sovernet nor any other CETCs designated by the PSB will be able to access the approximately $6 million previously available to Vermont CETCs to invest in advanced telecommunications infrastructure within the state.

At this time, there are no new high-cost mechanisms operating to replace the existing one. As such, "repurposing" existing funding will do nothing for Vermont in the near term, and perhaps not for several years. Sovernet believes that the better course is for the Commission to continue to allow existing carriers to access funding that has been voluntarily relinquished by carriers.

If a carrier in Vermont does not wish to take on the obligations of a CETC any longer – that is its right, despite the negative consequences for rural citizens who are hoping to see investments to improve access to advanced services. However, what the Commission should not do is compound a negative for rural citizens by denying other carriers willing to invest the opportunity to draw from the fund.

While Verizon Wireless may have agreed to a five-year phase-down of USF support as a condition of its acquisition of Alltel Communications, Inc. ("Alltel"), Verizon Wireless should not have unilateral power to decide when a state's CETC high-cost support should end, as would be the case in Vermont if the Corr Wireless appeal is denied by the Commission. Such a perverse result essentially gives Verizon Wireless an extraordinary amount of leverage over state authorities and cannot possibly be the outcome the Commission envisioned when it decided to impose the phase-down requirement as a condition of its consent to Verizon Wireless' acquisition of Alltel.

Accordingly, Sovernet urges you to grant the appeal filed by Corr Wireless and make clear that the Commission will not deny rural states, like Vermont, access to high-cost support when a carrier, like

Verizon Wireless, voluntarily relinquishes CETC status and abandons the universal service program in a particular state.

Thank you for your consideration of this very important matter.

Sincerely,

Rich Kendall

Rich Kendall
President and CEO
Sovernet Communications

cc: Commissioner Michael J. Copps
Commissioner Robert M. McDowell
Commissioner Mignon Clyburn
Commissioner Meredith Attwell Baker
Zachary Katz
Jennifer Schneider
Christine D. Kurth
Angela Kronenberg
Christi Shewman
Sharon Gillett
Ruth Milkman
Amy Bender
Thomas Buckley
Lisa Gelb
Ted Burmeister
Alex Minard