

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Connect America Fund) WC Docket No. 10-90
)
A National Broadband Plan for Our Future) GN Docket No. 09-51
)
High-Cost Universal Service Support) WC Docket No. 05-337

**REPLY COMMENTS OF
QWEST COMMUNICATIONS INTERNATIONAL INC.**

Qwest Communications International Inc., (Qwest), submits these reply comments in accord with the Federal Communications Commission's (Commission) Notice of Inquiry (*NOI*) and Notice of Proposed Rulemaking (*NPRM*) in the above-referenced dockets.¹

As expected, many comments were filed in response to this *NOI* and *NPRM* addressing the many issues raised therein. Qwest replies briefly to reiterate and recognize support in the comments on a few key issues. First, several commenters agree that the Commission should not begin to phase out Interstate Access Support (IAS) until the Commission has definitively established the Connect America Fund and begun providing support from that fund. Second, several commenters support the Commission moving forward with a form of competitive bidding or competitive proposal process to distribute support for deployment of broadband-capable networks to unserved areas. Finally, as the Commission moves forward with supporting universal access to broadband services, it must establish policies that rationally advance that effort.

¹ *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; High-Cost Universal Service Support*, Notice of Inquiry and Notice of Proposed Rulemaking, WC Docket Nos. 10-90 and 05-337, GN Docket No. 09-51, FCC 10-58, rel. Apr. 21, 2010 (*NOI* or *NPRM*, as appropriate).

The Commission Should Not Immediately Eliminate IAS. As several parties commented, the Commission should not reduce or eliminate IAS without establishing a rational transition to other support for high-cost areas.² IAS is an important source of explicit funding that helps carriers sustain and build their networks and provide quality services where other avenues for cost recovery have been closed or narrowed by regulatory fiat. The rationale for the creation of the fund still exists, and any decision to reduce or eliminate this explicit support should ensure that transitioning this support to the Connect America Fund will be effected in a manner that will still further the purposes of IAS. Eliminating this support without establishing a rational transition to other explicit recovery mechanisms will only hinder, not advance broadband deployment by providers currently receiving IAS. Qwest agrees with AT&T that one aspect of this rational transition should include permitting carriers to recover reductions in high-cost support revenue from their end users.³

The Commission Should Implement A Competitive Bidding/Proposal Process for Distributing Support for Broadband Deployment to Unserved Areas. Various commenting parties support use of a competitive bidding or proposal process for providing support for broadband network deployment in unserved areas.⁴ The Commission should press forward with defining the minimum broadband speeds that should be universally available and supporting broadband deployment to unserved areas (those areas without access to the defined universal

² See, e.g., CenturyLink at 38-39; Windstream at 38-40; USTelecom at 16-17; Verizon at 15-18.

³ AT&T at 23.

⁴ See, e.g., AT&T at 5-12; Windstream at 16-19.

broadband).⁵ And, the Commission should use a competitive bidding-type process as described by Qwest in its opening comments.⁶

The Commission Must Make Smart Policy Choices That Rationally Advance Universal Broadband. It is critical as the Commission shifts to support universal broadband that it implements approaches that will accomplish those efforts in a rational and sustainable manner. For example, the Commission should limit CAF support for broadband deployment to one provider per area. There is no sound universal service reason to support more than one provider in areas where it is not economic for one provider to serve without support.⁷

Further, when a provider applies to deploy networks to provide universal broadband service in a provider-selected area, among other requirements, the provider must sufficiently demonstrate why CAF support is necessary to move deployment of a universal service broadband network in that area from a negative business case to a positive business case. This will help ensure that CAF support is only being used to deploy universal service to areas where it is uneconomic to provide universal broadband without that support.

Additionally, since CAF funds will necessarily be limited, the Commission will need to prioritize distribution of support. When the Commission is considering multiple applications for broadband deployment to different unserved areas, other things being equal, it should give

⁵ In defining the speeds for universal broadband, the Commission should select speeds that will enable the Commission to accomplish its universal service goals in a rational and cost-effective manner. The Commission should also make sure that the measurement of broadband speeds to determine where universal broadband is and is not available will be unbiased across broadband technologies.

⁶ Commenters have proposed competitive mechanisms for broadband deployment using different descriptors including “competitive bidding”, “competitive proposals” or “competitive applications.” Qwest has no strong views on the appropriate moniker for the process, but views that the Commission should move forward with implementing a competitive proposal-type process as Qwest described in its opening comments.

⁷ *Accord*, CenturyLink at 12; Windstream at 28.

funding priority to the application that will provide access to the greatest number of service locations for the support provided. Using this approach, more service locations will get access to universal broadband more quickly and the Commission will more effectively deploy universal broadband for each CAF dollar spent.

Deploying fiber-to-the-premise to an unserved area for \$5,000 per home passed may advance universal broadband to a very limited number of households. However, a more rational universal broadband policy would pick projects using, for example, fiber-to-the-node technology, and be able to extend broadband service to over five times as many unserved households. By balancing all the universal service principles listed in the Act, the Commission can set and reach its broadband goals and priorities with the resources that are available. However, the current practice of funding some fiber-to-the-premise projects through the current High Cost Loop Support mechanism, while providing inadequate voice grade only support to other companies does not advance the goals stated in the National Broadband Plan.

Smart policy decisions should enable well-designed CAF support mechanisms to achieve universal broadband quickly and efficiently. The Commission must make these important policy choices in order to successfully implement the CAF as a rational, effective mechanism for distributing support to provide universal broadband.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **REPLY**
COMMENTS OF QWEST COMMUNICATIONS INTERNATIONAL INC. to be: 1) filed
with the FCC via its Electronic Comment Filing System in WC Docket Nos. 10-90 and 05-337
and GN Docket No. 09-51; 2) served via e-mail on Mr. Charles Tyler, Telecommunications
Access Policy Division, Wireline Competition Bureau at Charles.tyler@fcc.gov; and 3) served
via e-mail on the FCC's duplicating contractor, Best Copy and Printing, Inc. at
fcc@bcpiweb.com.

/s/Richard Grozier

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