



March 14, 2011

VIA ELECTRONIC FILING

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

Re: *Federal-State Joint Board on Universal Service, High Cost Universal Service Support*, CC Docket No. 96-45; WC Docket No. 05-337

Connect America Fund, WC Docket No. 10-90

National Broadband Plan, GN Docket No. 09-51

Dear Ms. Dortch:

This submission is made on behalf of the Telecommunications Regulatory Board of Puerto Rico ("the Board").

The Board is statutorily charged with assuring "Puerto Rico of the same telecommunication and information privileges that United States citizens enjoy." P.R. Laws Ann. tit. 27, Statement of Motives. In discharging this mandate, the Board has repeatedly acted to improve service, lower costs and spur competition.

In the above-referenced dockets, the Board has shown that Puerto Rico is particularly deserving of federal support because of its extremely low telephone and broadband penetration rates; very high costs dictated by its geography; and exceptionally challenging economic situation. The Board has supported the efforts of the incumbent carrier, Puerto Rico Telephone Company, Inc. ("PRTC"), to establish a non-rural insular fund for high cost loop support (WC Docket No. 05-337) or a pilot program for broadband deployment through competitive procurements (WC Docket No. 10-90).

On January 31, 2011, San Juan Cable LLC d/b/a OneLink Communications ("One Link"), a competitor of PRTC, provided notice of an *ex parte* meeting with the Commission. According to a memorandum submitted with OneLink's *ex parte* notice, in that meeting it urged the Commission to deny PRTC's request for federal support in Puerto Rico because PRTC has allegedly represented to the Board that it can profitably deploy and operate broadband facilities.

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OneLink's position is not sound. OneLink's experience is limited and its characterization of PRTC's statements to the Board ignores crucial facts.

As OneLink's own submission concedes, it is a cable, broadband and VoIP provider "in San Juan, Puerto Rico." OneLink's experience is limited to serving relatively higher income residents in this limited area. It has little to no experience serving lower-income consumers or the many residents of Puerto Rico who live in other areas. It has no experience with the challenges posed by these non-urban residents, including Island topography, limited basic infrastructure, cost of construction, and low income. Its position on whether Puerto Rico needs federal support for broadband deployment is biased and uninformed.

Moreover, OneLink's citation to PRTC's statements to the Board conspicuously ignores that, when PRTC made those statements, it was in contemplation of a program that included video services (that would provide PRTC with a revenue stream), and that it contemplated deployment in limited areas, using existing infrastructure. Whether a limited program, using existing infrastructure, and including options that provide direct revenue, can be profitable within five years is a completely different question from whether federal support is needed to provide broadband (or in some cases, basic telephone services) to all residents of Puerto Rico.¹ OneLink has not shown that Island-wide broadband deployment can be achieved without significant support from the Commission and PRTC has never made any such statement to the Board.²

The Commission's Sixth Broadband Deployment Report concluded that "approximately 14 to 24 million Americans remain without broadband access capable of meeting" the minimum upload/download speeds required under the Telecommunications Act. The Report found that, out of the approximately 24 million Americans who live in areas unserved by broadband, 1/6th (almost four million) live in Puerto Rico. The same report concluded that the *entire Island* lacked access to broadband that met the minimum speed for adequate broadband access.

¹ The Board's enabling legislation requires it to "give access to telecommunications services which can be reasonable compared to those provided in urban area to consumers throughout the Island, including low-income consumers and those living in rural areas or in areas where access to such services is costly." 27 L.P.R.A. § 265(q).

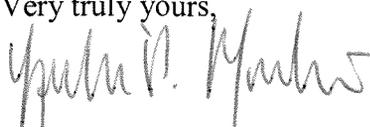
² OneLink asserts that "[t]he Commission should also insure that OneLink and other broadband providers have an opportunity to obtain financial support for broadband. . .". The Board agrees that, if OneLink or any other carrier shows that it is willing to provide broadband services in areas that do not currently have services, they should be eligible for federal support.

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The Commission's Sixth Broadband Deployment Report emphasized that the Commission must "take immediate action to accelerate deployment of advanced telecommunications [*i.e.*, broadband] capability *by removing barriers to infrastructure investment* and by promoting competition in the telecommunications market." In a statement that accompanied the report, Chairman Genachowski explained that "[b]roadband is critical 21st century infrastructure" and that those persons who currently do not receive adequate broadband access (which includes the entire Commonwealth) "will continue to be unserved, denied access to the *transformative power* of broadband" without "substantial reforms to the agency's universal service programs."

The record is clear that Puerto Rico is deserving of federal support. The Board urges the Commission to focus its efforts on Puerto Rico before the digital divide widens further.

Very truly yours,



Leslie Paul Machado

cc: Sandra Torres-Lopez (Board President)
Vicente Aguirre-Iturrino (Board Associate Member)
Nixyvette Santini-Hernandez (Board Associate Member)
Eugenia Orsini-Herencia (Board Legal Advisor)