

**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
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109

REPLY COMMENTS OF SAN JUAN CABLE LLC

San Juan Cable LLC d/b/a OneLink Communications (“OneLink”), through undersigned counsel, respectfully submits these Reply Comments in response to the Commission’s Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (“NPRM”) regarding, among other things, whether the Commission should reserve funds in the first phase of the Connect America Fund (“Phase I CAF”) for broadband deployment in insular areas such as Puerto Rico.¹

¹ *Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92), *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45), *Lifeline and Link-Up*, WC Docket No. 03-109, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC 11-13 (Feb. 9, 2011).

I. ONELINK’S RECOMMENDATION TO PRIORITIZE SUPPORT FOR BROADBAND ADOPTION, RATHER THAN DEPLOYMENT, HAS BEEN PROPOSED INDEPENDENTLY BY THE LARGEST CONTRIBUTOR TO THE NATIONAL BROADBAND MAP

Puerto Rico Telephone Company, Inc. (“PRTC”), which has campaigned extensively to obtain additional federal subsidies for its broadband build-out, and the Telecommunications Regulatory Board of Puerto Rico (“TRB”), which is supporting PRTC’s effort to obtain such funding, have criticized OneLink’s participation in this proceeding on the grounds that OneLink allegedly does not understand the difficulties of providing universal service and because it competes with PRTC. Specifically, the TRB has asserted that OneLink’s “position on whether Puerto Rico needs federal support for broadband deployment is biased and uninformed.”² PRTC, on the other hand, has stated that “OneLink is in no position to comprehend the unique challenges of providing universal service in Puerto Rico, or to claim that the absence of federal support for telephone and broadband in insular areas somehow serves the public interest.”³

While it is true that OneLink is not an eligible telecommunications carrier and that it competes with PRTC, OneLink’s recommendation in this proceeding – that the Commission should prioritize federal broadband support for efforts to improve broadband adoption and digital literacy in Puerto Rico, rather than deployment of additional facilities that will continue to go unused – is sound. The most recent data available clearly demonstrates that although basic broadband is almost universally available in Puerto Rico, it is severely under-utilized, with

² Letter from Leslie Paul Machado, Counsel to the TRB, to Marlene Dortch, Secretary, FCC, CC Docket No. 96-45, WC Docket No. 05-337, WC Docket No. 10-90, GN Docket No. 09-51 at 2 (Mar. 14, 2011) (“TRB Letter”).

³ Letter from Nancy J. Victory, Counsel to PRTC, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 96-45, WC Docket No. 05-337, WC Docket No. 10-90, GN Docket No. 09-51 at 2 (Feb. 23, 2011).

subscription rates lagging far behind the rest of the country.⁴ Thus, in its Comments, OneLink urged the Commission to focus near-term support on “helping Puerto Rican consumers understand the benefits of broadband and take advantage of the broadband service that is already available today.”⁵ OneLink explained that doing so would lay a “foundation of demand in Puerto Rico for higher-speed broadband that can be supported by” existing and future universal service programs while allowing the Commission to distribute Phase I CAF support in the most efficient manner possible.⁶

Although some may disparage OneLink’s Comments as ill-informed or ill-intentioned, the Commission need not rely on OneLink’s interpretation of the broadband data to see the validity of its argument. Connected Nation – an independent third party and “the single largest collector, verifier, and supplier of data to the National Broadband Map”⁷ (including for Puerto

⁴ See, e.g., Comments of San Juan Cable LLC, *Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92), *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45), *Lifeline and Link-Up*, WC Docket No. 03-109, at 7-8 (Apr. 18, 2011).

⁵ *Id.* at 4.

⁶ *Id.*

⁷ Comments of Connected Nation, Inc., *Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92), *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45), *Lifeline and Link-Up*, WC Docket No. 03-109, at 4 (Apr. 18, 2011) (“Connected Nation Comments”). Connected Nation is responsible for gathering, validating and analyzing approximately 20% of the data underlying the National Broadband Map. *Id.* at 7.

Rico) – has independently advocated precisely the same approach as OneLink, for precisely the same reasons.

Specifically, Connected Nation argues that last-mile broadband deployment subsidies “should ... be viewed ... as a last resort and as the *final* step in an integrated program that includes vibrant, measurable, and targeted projects aimed at closing the gaps of digital literacy, adoption, and awareness in affected communities.”⁸ It further asserts that “[e]nsuring that effective and measurable adoption and utilization programs are in place while soliciting bids to allocate new subsidies to build broadband in [unserved] areas would result in a more efficient use of Phase I funding” because “higher potential adoption and utilization in an area will increase the potential broadband revenues in that area ... [a]nd those higher revenues will reduce the overall subsidy needed to build a broadband network in that area.”⁹ Indeed, Connected Nation concludes that “it would be foolhardy to subsidize broadband access in an area where no broadband adoption and utilization program is in place.”¹⁰

Connected Nation’s Comments also support OneLink’s rebuttal of the central theme of PRTC’s demand for additional federal support, namely that “without additional, targeted broadband funding, there is no business case for private investment in broadband deployment in Puerto Rico.”¹¹ On the contrary, Connected Nation notes that “[t]he business case for building

⁸ *Id.* at 3-4 (emphasis in original).

⁹ Connected Nation Comments at 20.

¹⁰ *Id.* at 22 (emphasis added).

¹¹ Comments of Puerto Rico Telephone Company, Inc., *Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92), *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45), *Lifeline and Link-Up*, WC Docket No. 03-109, at 8 (Apr. 18,

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broadband networks is directly affected by the prospective adoption rate and revenue opportunity in [a] community”¹² and that “the higher the adoption rate, the fewer subsidies there will need to be to serve [an] area.”¹³ PRTC has paid lip service to that notion in its Comments, stating, for example, that “[w]ithout some ability to project higher subscription rates or predictable subsidization of the construction and maintenance of facilities, the economics of deploying infrastructure in poor unserved areas simply foreclose construction of the facilities.”¹⁴ However, because PRTC’s stated goal in this proceeding is to obtain additional federal funding for the upgrading of its wireline network, it has completely ignored potential remedies that would allow it to project higher subscription rates – i.e., adoption and education programs – and has steadfastly insisted that the only solution to the “broadband gap” in Puerto Rico is for the Commission to subsidize the construction of more facilities. As noted above, Connected Nation has called this approach “foolhardy,”¹⁵ and the Commission should reject it.

II. PRTC HAS OFFERED NO BASIS TO DOUBT THE ACCURACY OF CONNECTED NATION’S BROADBAND DEPLOYMENT DATA

Faced with substantial evidence that basic broadband is widely available in Puerto Rico, PRTC has been left with little choice but to claim that Connected Nation’s broadband

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2011) (“PRTC Comments”). The TRB has similarly suggested that island-wide broadband deployment cannot be achieved without significant support from the Commission. *See* TRB Letter at 2.

¹² Connected Nation Comments at 19.

¹³ *Id.* at 5.

¹⁴ PRTC Comments at 11 (emphasis added).

¹⁵ Connected Nation Comments at 22.

deployment data is inaccurate.¹⁶ PRTC offers no basis for this conclusion, stating only that it “believes that the Connected Puerto Rico [sic] broadband map vastly overstates broadband access in Puerto Rico.”¹⁷

PRTC’s allegation is particularly curious in light of the fact that Connected Nation’s raw data is primarily supplied by broadband providers themselves.¹⁸ Indeed, the substantial majority of the information about which PRTC specifically expresses concern – digital subscriber line service – was apparently provided to Connected Nation *by PRTC*.¹⁹ Moreover, the State Broadband Data and Development program, pursuant to which Connected Nation is performing the data collection, requires Connected Nation to independently verify all of the data it collects.²⁰ As explained in great detail in its Comments, Connected Nation validates this information through field tests, customer surveys, statistical modeling, speed tests, etc.²¹

While this data collection is obviously an iterative process that will be subject to revision as additional information becomes available, PRTC has offered no support whatsoever for its belief that any of the current data “vastly overstates” broadband deployment in Puerto Rico. The Commission should therefore disregard it.

¹⁶ PRTC Comments at 16 (“PRT does not believe that the data that has been currently presented by Connected Nation for Puerto Rico accurately reflect the state of broadband deployment in Puerto Rico”).

¹⁷ PRTC Comments at 16 (emphasis added).

¹⁸ See Connected Nation Comments at 12.

¹⁹ See, e.g., National Broadband Map Data Sets (Puerto Rico, Fall 2010), available at http://www2.ntia.doc.gov/files/broadband-data/SBDD_PR_Fall2010.zip.

²⁰ Connected Nation Comments at 12.

²¹ *Id.* at 12-15.

III. CONCLUSION

For the foregoing reasons, OneLink reiterates that the Commission should focus near-term broadband support in Puerto Rico on broadband adoption and digital literacy initiatives, which will lay a foundation for further broadband expansion on the island, rather than on deployment of additional facilities that most Puerto Ricans are presently unable to use.

Respectfully submitted,

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