

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
To: The Commission		

COMMENTS OF IT&E

PTI Pacifica Inc., a wireless Competitive Eligible Telecommunications Carrier (“CETC”) in the Commonwealth of the Northern Mariana Islands (“CNMI”) and in Guam, doing business as IT&E (“IT&E”), hereby submits its comments on the FCC’s August 3, 2011 *Public Notice* in the above-captioned proceedings regarding the Commission’s proposals for universal service fund (“USF”) reform.<sup>1</sup>

In Section G of the *Public Notice*, the Commission requested comment on issues concerning future Connect America Fund (“CAF”) support for U.S. territories like CNMI and Guam, as well as for Alaska, Hawaii, and tribal lands. IT&E reiterates its prior comments in

---

<sup>1</sup> Public Notice: Further Inquiry into Certain Issues in the Universal Service Intercarrier Compensation Transformation Proceeding, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51, DA 11-1348, August 3, 2011 (“*Public Notice*”).

these dockets that, as the Commission undertakes comprehensive USF reforms and transitions to the CAF, it needs to ensure that its reforms do not undermine service in insular territorial areas like the CNMI and Guam (“the Territories”) because these areas present unique challenges to communications service providers.<sup>2</sup> In particular, the deployment and maintenance of communications systems in the CNMI and Guam are more costly and risky than in the mainland United States due to the Territories’ geographical isolation, climatic conditions, fluctuating population levels, and below average income levels. For these reasons, IT&E supported those aspects of the Joint Comments of Docomo Pacific, Inc., PR Wireless, Inc., Choice Communications, LLC, and AST Telecom, LLC d/b/a BlueSky Communications (“Joint Commenters”) that recommended that CETCs serving the Territories be exempt from the proposed phase down of CETC support and from the interim cap.<sup>3</sup> Without ample continued USF support, accessibility of telecommunications and broadband services in insular areas like the Territories will increasingly lag behind that of the 50 States. More details concerning the Territories’ unique and challenging circumstances, especially the declining economy of the CNMI, are provided in IT&E’s Reply Comments and the initial comments of the Joint Commenters.

IT&E, therefore, recommends that CETCs serving the Territories should be exempt from the Commission’s proposal to reduce the interim cap on CETC high cost funding to zero over a five-year period. The circumstances in the Territories are dramatically different than those on

---

<sup>2</sup> Reply Comments of IT&E, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, filed May 23, 2011.

<sup>3</sup> See Joint Comments of Docomo Pacific, Inc., PR Wireless, Inc., Choice Communications, LLC, and AST Telecom, LLC d/b/a BlueSky Communications, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109 (“Joint Comments”), filed April 18, 2011.

the U.S. mainland, and a one-size-fits-all approach designed for the mainland should not be imposed on insular territories.

The Joint Commenters' proposal to exempt CETCs in the Territories from the interim cap imposed in 2008 on high-cost disbursements also deserves serious consideration.<sup>4</sup> Support to CETCs in the Territories should be calculated by applying the identical support rule on an uncapped basis. Because of their relatively small populations, providing an exception for the Territories will have only a *de minimis* impact on the overall size of the fund even as retaining funding at prior levels will have a very positive impact to bolster penetration.

Respectfully submitted,

IT&E

\_\_\_\_\_  
/s/  
Steven Carrara  
General Counsel

100 Tekken Street  
Susupe, Saipan 96950  
(670) 682-0744

122 W. Harmon Industrial Park Rd.  
Suite 103  
Tamuning, Guam 96913-4113  
(671) 922-4454

August 24, 2011

---

<sup>4</sup> *Id.* at 14.