

**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 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

**REPLY COMMENTS OF  
SOUTHERNLINC WIRELESS**

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Date: September 6, 2011

## SUMMARY

The comments in response to the Commission's Public Notice and the USF/ICC NPRM demonstrate that, despite efforts by interested parties to claim a grand "consensus" regarding USF-ICC reform measures, no such consensus exists. Rather, there is widespread agreement among a wide range of industry stakeholders that adopting any of the three proposals offered for comment here or the FCC's earlier USF/ICC NPRM proposal would fall far short of the basic requirements of the universal service program's enabling statute, the Communications Act of 1934, as amended (the "Act"). Ignoring the Act in the rush to promulgate an Order on this important topic would be a mistake of epic proportions, creating a substantial risk that the reform measure would be overturned upon appeal and, worse, doing untold damage to the competitive landscape for telecommunications services in rural areas in the interim. As such, SouthernLINC Wireless urges the Commission to reject these particular proposals as inconsistent with the mandatory requirements of the statute and redirect the reform effort towards a framework that can be squared with the letter and spirit of the Act.

The record demonstrates that any reform proposals must be consistent with the basic purposes established by the Act: to provide a specific, sustainable and predictable mechanism that provides funding sufficient to ensure the provision of universal service to rural consumers at service levels and rates reasonably comparable to those available to urban consumers. While the Commission maintains some flexibility to operate within this framework, commenters agree that the FCC may not depart entirely from these foundational principles in order to accomplish some other policy objective, such as those set forth in the three proposals set forth for comment. In particular, the comments demonstrate that the proposals (i) fail to comply with the Act's basic requirement that consumers in rural areas be afforded reasonably comparable services and rates as urban consumers, (ii) fail to justify the support for 4 Mbps broadband consistent with the Act's requirement that services must be adopted by a "substantial majority" of residential

consumers prior to being supported by universal service mechanisms, and (iii) give short shrift to the increasingly important role of wireless services in rural areas. As such, these plans must be rejected on both statutory and policy grounds.

SouthernLINC Wireless and others have urged the FCC to develop a competitively neutral support distribution mechanism that allows the market for voice and broadband services to function without undue regulatory interference. Tilting the playing field in favor of a given class of carriers either by guaranteeing revenue replacement to ILECs or providing support to only a single USF-support recipient is neither competitively neutral, as required, nor is it the best means by which to ensure that USF funds are deployed efficiently over time. Importantly, in adopting universal service reform, the Commission must be careful to ensure that the reform does not damage the viability of basic telephone service that many rural consumers continue to rely upon. As the commenters have shown, there is genuine reason to doubt the assumption that wireless carriers will recoup enough from proposed access charge reforms to make up for the elimination of USF support.

Rushing to implement reform measures that are short on specifics, that demonstrably lack a sound legal foundation, and that would substantially harm the competitive landscape for communications services in rural America and the consumers who depend upon them will only delay the adoption of true reform. Fortunately, the FCC still has time to correct its course before it crosses a point of no return. Rather than rushing to take one step forward and two steps back, the Commission should invest its time and energy into implementing truly comprehensive reform that is based squarely upon the Act.

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**COMMENTS OF SOUTHERNLINC WIRELESS**

Southern Communications Services, Inc. d/b/a SouthernLINC Wireless (“SouthernLINC Wireless”), by its attorneys, hereby replies to issues raised by commenting parties in response to the Public Notice released by Federal Communications Commission (“FCC” or “Commission”) requesting comment on a number of proposals submitted by third parties as well as several specific questions relating to the high-cost universal service fund (“USF”) and the intercarrier compensation (“ICC”) regime.<sup>1</sup> SouthernLINC Wireless submits these comments to supplement the comments of the Universal Service for America Coalition, of which SouthernLINC Wireless is a member.<sup>2</sup>

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<sup>1</sup> *Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, 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, Public Notice, DA 11-1348 (Aug. 3, 2011).*

<sup>2</sup> For brevity, SouthernLINC Wireless does not repeat here all of the points made in the comments of the USA Coalition, which SouthernLINC Wireless hereby incorporates by reference.

Despite the limited time with which commenting parties had to review and reply to the Public Notice and the subsequent comment cycle, this much is now clear: despite efforts by interested parties to claim a grand “consensus” regarding USF-ICC reform measures, no such consensus exists. Rather, the record in this proceeding demonstrates little more than widespread agreement that USF is necessary, but wildly divergent opinions on the exact nature of the replacement distribution mechanism. The parties generally agree that ICC reform is necessary, and what limited consensus that does appear in this docket supports the position that a unified \$.0007 rate is a step in the right direction. However, many parties have amply demonstrated that intercarrier compensation reform will not significantly offset the reductions in USF support proposed in either the USF/ICC NPRM or in any of the plans described in the Public Notice.

Further, as many parties have pointed out, the Communications Act of 1934, as amended (the “Act”) governs the scope and structure of the Commission’s universal service programs, not the policy preferences of any individual party or industry segment. As such, the Commission can only implement programs based upon these three proposals if those policies are fully consistent with the letter and the spirit of the Act as it stands today. Unfortunately, the proposals set forth for comment are demonstrably inconsistent with the Act’s universal service mandate.

In light of the FCC’s public commitment to issue a USF-ICC reform order “this fall” despite the absence of a statutorily sound replacement distribution mechanism for the high-cost fund, the Commission seems poised to adopt a proposal will not survive the inevitable legal challenge. Rushing to implement reform measures that lack a sound legal foundation and that would substantially harm the competitive landscape for communications services in rural America and the consumers who depend upon them will only delay the adoption of true reform. Rather than taking one step forward and two steps back, the Commission should invest its time and energy into implementing reform that is based squarely upon the Act.

**I. ADOPTION OF ANY OF THE “INDUSTRY” PROPOSALS WOULD HARM CONSUMERS AND DELAY THE IMPLEMENTATION OF TRUE REFORMS**

NARUC said it best when it noted that “whatever the FCC does will wind up in court.”<sup>3</sup>

As such, the FCC should strive to ensure that any reform proposal is rooted firmly in the text of the Act as it stands today, and not upon a shaky legal foundation that will not survive the tempest of certain judicial review. Otherwise, the agency’s efforts will have been wasted and true reform will have been delayed yet again. Unfortunately, the existing proposals all present a “target-rich environment of appealable issues” that would doom any effort to adopt them to fail because their flaws cannot be easily addressed by the FCC.<sup>4</sup> If adopted, these proposals “will be litigated and will present a multiplicity of opportunities for uncertainty, delay, and possible reversal of the implementation of any reform proposal.”<sup>5</sup>

As a wide range of commenting parties have amply demonstrated, there are several ways in which the three industry proposals impermissibly, and fatally, deviate from the plain language of the Act. **First**, the proposals fail to take into account the Act’s clear mandate that the FCC “shall” base its universal service policies for both the “preservation and advancement” of supported services solely upon the principles established in Section 254(b), which include competitive neutrality and the availability of reasonable comparable services at reasonably comparable rates in rural, insular and high cost areas rural areas. This statutory directive applies both to existing supported services as well as any additional supported services -- such as high speed broadband -- that the FCC establishes pursuant to the Act. **Second**, all three proposals fail

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<sup>3</sup> Comments of NARUC at 5, WC Docket No. 10-90 *et al.* (filed Aug. 24, 2011). For the purposes of this filing, Comments will refer to comments filed in this docket on August 24, 2011, unless otherwise noted.

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

<sup>5</sup> *Id.*; *accord* Comments of Rural Telecommunications Group, Inc. at 12 (“If the needs of small, rural wireless providers are not incorporated in any so-called consensus agreement, any wireless rule modifications based on such agreement are unlikely to survive judicial review.”).

to address the Act’s requirement that, when expanding the defined list of supported services, the FCC must find that the particular service has been adopted by a substantial majority of residential consumers.<sup>6</sup> Thus, even assuming that these reform proposals enjoyed unanimous support from both the FCC and industry, the FCC could only implement recommendations as policy to the extent that they are consistent with the Act as it stands today. **Finally**, the FCC’s unabashed rush to issue an Order on this important matter fall far short of the requirement that interested parties be given a “meaningful” opportunity to participate in the rulemaking process.

**A. Parties Agree That the Act Requires That FCC Must Reject Policies That Fail to Preserve and Advance Universal Service in a Manner Consistent with Section 254’s Mandatory Principles.**

As the Rural Broadband Alliance correctly noted: there exist “absolute legal requirements that must be incorporated into any reform of the Universal [Service] System in order to ensure the provision of specific, sustainable and predictable mechanisms to advance and preserve universal service in accordance with the mandate of the [Act].”<sup>7</sup> SouthernLINC Wireless wholeheartedly agrees that the FCC’s approach to reform raises the fundamental questions: “how can the Commission propose to establish comprehensive reform to promote broadband deployment without first determining, *consistent with statutory requirements*?” (i) what services will be defined as universal services pursuant to the Act, and (ii) what level of funding to provide sufficient funding to preserve and advance such services.<sup>8</sup>

Indeed, the Act requires that universal service policies be based upon several principles that are mandatory in nature when the Commission is considering modifying the universal

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<sup>6</sup> The State Members Plan recognizes these statutory pre-requisites. *See* State Members Plan at 18 (“the Joint Board has a continuing statutory responsibility to ensure that federal universal service policies are based on a list of articulated principles.”).

<sup>7</sup> Comments of Rural Broadband Alliance at i (emphasis supplied); *accord* Texas Statewide Telephone Cooperative, Inc. at 4.

<sup>8</sup> *Id.* at ii.

service system, either by adding a new supported service like broadband or modifying the manner in which existing support is distributed.<sup>9</sup> In addition to the principle of competitive neutrality adopted by the FCC, these statutory principles are succinctly summarized by Rural Telecommunications Group, Inc.:

The Act directs the Commission to craft universal service policies that provide access to advanced telecommunications and information services in all regions of the nation, ensure consumers in rural and high cost areas have access to telecommunications and information services that are reasonably comparable to those services provided in urban areas at reasonably comparable rates, and create specific, predictable and sufficient universal service mechanisms.<sup>10</sup>

As SouthernLINC Wireless and others have argued, the Commission has no discretion *whatsoever* to depart from these bedrock statutory requirements.<sup>11</sup>

Yet, despite these clear statutory mandates, no attempt has been made either by the FCC or the three proposals under consideration here to reasonably define these key terms of the Act. This “fundamental failure to determine what constitutes “reasonably comparable” universal services and rates and what funding is “sufficient” to advance and preserve universal service” has landed the FCC in hot water with the federal courts in the past<sup>12</sup> and now seems destined to be litigated once again.<sup>13</sup> That is, unless, the Commission heeds the parties’ pleas to consider the clear terms of the Act when formulating universal service policies. In the end, absent a genuine attempt to square reform measures with the Act, the likely outcome of this prolonged rulemaking process will be a torrent of protracted litigation that will impede broadband network deployment and harm existing competition in the telecommunications marketplace.

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<sup>9</sup> Comments of CTIA at 16; Comments of ITTA at 7.

<sup>10</sup> Comments of Rural Telecommunications Group, Inc. at 4.

<sup>11</sup> Comments of USA Coalition at 5; Comments of NASUCA at 4; Comments of CTIA at 14.

<sup>12</sup> *See Qwest Communications Int’l, Inc. v. FCC*, 398 F.3d 1222, 1234 (10th Cir. 2005).

<sup>13</sup> Comments of Rural Broadband Alliance at 36; Comments of CTIA at 14.

In addition to the failure to wrestle with the mandate of “reasonable comparability” of services and rates, there exists little support in the record that the adoption of either of these three proposals would result in “sufficient” support being available to existing CETCs.<sup>14</sup> Indeed, as pointed out by several parties, under the ABC Plan, the vast majority support would flow almost entirely to ILECs, with any amount “left over” after that support has been distributed, going to other CETCs *up to a maximum* of \$300 million.<sup>15</sup> No analysis is offered to justify how the greatly diminished amount of support for CETCs will be “sufficient” to “preserve” existing communications networks, as mandated by the Act. Such support would similarly not be “predictable,” since the amount of available support would be contingent on the amount of support that would be directed to the ILECs under this uncertain scheme.<sup>16</sup> Take the case of Alaska, for example. According to General Communications, Inc., “the ABC Plan would provide only \$6 million in the price cap study areas in Alaska that would be covered under the ABC Plan... only a fraction of the approximately \$71 million in 2010 high-cost support alone currently distributed in price cap study areas in Alaska.”<sup>17</sup> Despite these drastic funding cuts, no attempt is made to demonstrate how such support would be justifiable under the Act.

Nor is any plausible statutory justification offered for proposals that “stack the deck in favor of entrenched, inefficient [ILECs]” could realistically be deemed competitively and

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<sup>14</sup> Comments of CTIA at 14; Comments of MTPCS, Inc. at 17; Comments of Cellular South at 6 (“adopting constrictive budget limits would be contrary to the Commission’s obligation to seek adherence to the statutory principle that universal service mechanisms should be sufficient to provide levels of service in rural and high-cost areas that are comparable to those provided in urban areas.”).

<sup>15</sup> ABC Proposal, Attachment 1, pg. 8; *accord* Comments of Rural Telecommunications Group, Inc. at 6; Comments of National Cable & Telecommunications Association at i (“the proposals demonstrate a consistent bias in favor of incumbent LECs at the expense of all other providers.”); Comments of CTIA at 14 (proposed \$300 million “funding level appears insufficient to meet the needs of mobile broadband consumers in high-cost areas.”); Comments of MTPCS, Inc. at 14.

<sup>16</sup> Comments of Cellular South at 3 (“the ABC Plan would require CETC funding to be dependent upon unpredictable and insufficient amounts of ILEC leftovers.”).

<sup>17</sup> Comments of General Communications, Inc. at 7.

technologically neutral as required by statute.<sup>18</sup> Many parties have taken issue with the competitively biased ABC Proposal, whereby support under the proposed Connect America Fund would be arbitrarily capped, even after taking into consideration its new role under that plan as an access recovery mechanism for ILECs and the accelerated phase-out of CETC support.<sup>19</sup> Sprint, for its part, aptly characterized the ABC and RLEC Plans as unabashed ILEC “land grabs.”<sup>20</sup> For these reasons, parties like Cellular South argue that the ABC Plan “is anti-competitive on its face and therefore would violate the Commission’s core universal service principle of competitive neutrality.”<sup>21</sup> Or, the words of RCA, “the principles of maintaining technological neutrality and harnessing the benefits of competition are nowhere to be found in the ILECs’ latest USF reform proposal.”<sup>22</sup> For these reasons, the Commission should reject any right of first refusal or grant of access recovery to any supported party due solely to a regulatory classification.

Rather than favor one industry segment over another, a flawed concept both as a matter of policy and as a matter of law, the Commission should heed the call to promote competition in the communications marketplace, which will promote consumer welfare by securing lower prices and better service over time.<sup>23</sup> Thus, SouthernLINC Wireless joins those who call upon the Commission to “emphatically reject ILEC’s self-serving USF proposals, and instead adopt truly neutral, market-based reforms that allow burgeoning competition among wireline, wireless, and

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<sup>18</sup> Comments of XO Communications at 16.

<sup>19</sup> See Comments of Sprint at 20-21.

<sup>20</sup> Comments of T-Mobile USA at 23; Comments of Sprint at 21.

<sup>21</sup> Comments of Cellular South at 14; Comments of Viaero Wireless at 14; Comments of Ad Hoc Telecommunications Users Committee (“By subsidizing, and thereby facilitating, incumbent carriers’ continued control of last mile facilities, the Carrier Plans would impede the development of broadband competition for millions of Americans.”).

<sup>22</sup> Comments of Rural Cellular Association at 3; accord Comments of American Cable Association at 6 (“The Commission should not provide Price Cap companies with a right of first refusal.”).

<sup>23</sup> Comments of Massachusetts Department of Telecommunications and Cable at 8.

other providers in the broadband marketplace to inform the level and allocation of high-cost support.”<sup>24</sup>

SouthernLINC Wireless also joins those who urge the Commission to adopt “an integrated high-cost support mechanism . . . as such a mechanism would put all broadband providers on equal footing for CAF support and eliminate the historical bias in favor of wireline technology.”<sup>25</sup> Indeed, as noted by Comcast: “a single funding mechanism would more closely mimic the workings of a competitive marketplace and ensure adherence to the Commission’s guiding principles”<sup>26</sup> of competitive and technological neutrality. “Technological neutrality in funding decisions would eliminate any need to establish separate funding mechanisms based on technological differences.”<sup>27</sup> As such, SouthernLINC Wireless agrees that any program that provides support to different types of carriers through different programs violates the principle of competitive neutrality, and represents undue interference in the marketplace.

**B. Any USF Proposal That Would Provide A Single Carrier With A *De Facto* Monopoly Is Inconsistent With The Act.**

For similar statutory reasons as discussed above, several parties have urged the FCC not to adopt any proposal that would make a single carrier the sole beneficiary of USF support in contradiction of the policies of competitive and technological neutrality.<sup>28</sup> As Louisiana Public Service Commission Commissioner Clyde Holloway explained, “... funding proposals such as reverse auctions and cost models are unworkable and will cause USF funding to become unstable and unpredictable,” both because of their complicated nature, an the fact and because a single

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<sup>24</sup> Comments of Sprint at 20; Comments of Rural Cellular Association at 2; *accord* Comments of US Cellular at vi.

<sup>25</sup> Comments of RCA at 10.

<sup>26</sup> Comments of Comcast at 35.

<sup>27</sup> Comcast Comments at 34.

<sup>28</sup> Comments of MTPCS, LLC d/b/a Cellular One at 21;

winner support distribution method creates perverse incentives for participants.<sup>29</sup> As we explained in our initial comments, the monopolist carrier will have both the capability and the incentive to price services at a price point designed to maximize profits while ensuring that competitive entry remains infeasible, thereby not only damaging existing competition but precluding future competitive entry.<sup>30</sup> This reasoning holds true regardless of whether a single carrier is selected by default (*i.e.*, the ILEC *via* a right of first refusal), selected via a beauty contest, or selected during a reverse auction.<sup>31</sup> Instead, for consumers to receive the full benefit of the services, service providers in rural areas must be subject to competitive forces, and Commission policies should work in tandem with, rather than opposed to, those forces to promote lower prices and greater access for consumers.

Instead of encouraging competitive entry and the natural price and service competition that accompanies it, a system that provides support to only a single service provider in an area will install a government-sanctioned monopoly service provider within that area capable of engaging in monopolistic practices and lower quality services.<sup>32</sup> Specifically, the sole-supported carrier will have both the capability and the incentive to price services at a price point designed to maximize profits while ensuring that competitive entry remains infeasible. In contrast, in a market where more than one carrier is eligible for support, the supported carriers can all compete

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<sup>29</sup> Letter from Clyde C. Holloway, Commissioner, Louisiana PSC, to Chairman Genachowski, FCC (Aug. 18, 2011).

<sup>30</sup> See SouthernLINC Wireless Comments at 24.

<sup>31</sup> See, e.g. Comments of Louisiana Public Service Commission at 5 (“Reverse auctions could cause USF funding to become unstable and unpredictable, and possibly even jeopardize future network investment in rural areas.”); Comments of Rural Cellular Association at 17 (“a right of first refusal would treat ILECs’ interests as paramount, a notion which has no basis in the Act, and would award ILECs a unilateral right to exclude wireless competitors from CAF support, further entrenching them as broadband monopolists in rural America.”).

<sup>32</sup> Comments of NASUCA at 37 (“the market envisioned by the NPRM will continue to be a monopoly market. Consumers subscribing to the supported service will have no choice, and it would not be in the public interest for the Commission to force consumers residing in high-cost areas to subscribe to low-quality voice services.”)

on price, driving the price of service for consumers down closer to the provider's marginal costs while forcing carriers to compete on service quality (including download speeds). Considering the invaluable need for a reliable, long-term telecommunications infrastructure, the FCC should not implement any policies that would provide support for only a single provider in a given area.

**C. The FCC Cannot Focus Support Solely On Services That Have Not Been Adopted by the Substantial Majority of Residential Consumers**

As argued by the USA Coalition and other parties, under the clear terms of the Act, the industry proposals fail to justify focusing solely on supporting broadband services capable of 4 Mbps actual download speeds and 786 kbps actual upload speeds.<sup>33</sup> Indeed, under the plain language of the Act, the FCC is supposed to focus on supporting services that “have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers” in addition to other statutory requirements.<sup>34</sup> Indeed, in the words of the Rural Broadband Alliance, “[a]lthough the ABC Plan assumes the definition of broadband for universal service funding purposes to be 768 Kbps up and 4 Mbps down, the utilization of this definition of universal service in the ABC Plan does not constitute a sustainable basis for the Commission to adopt the proposed standard in the absence of a fact-based finding reached in a manner consistent with statutory requirements.”<sup>35</sup> Neither the FCC's own analysis nor any of the comments filed in this docket demonstrate that the Commission could satisfy this mandatory requirement.

Further, as pointed out by SouthernLINC Wireless, attempts to ground the expanded definition of universal service upon the Joint Board's stale 2007 finding recommending the

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<sup>33</sup> USA Coalition Comments at 9; SouthernLINC Wireless Comments at 10; Rural Broadband Alliance at 15.

<sup>34</sup> Comments of USA Coalition at 16; Comments of Rural Broadband Alliance at 23.

<sup>35</sup> Comments of the Rural Broadband Alliance at 24.

broadband services capable of 200 kbps download speeds would be insufficient because that analysis supports a radically different level of service than the services proposed for adoption here.<sup>36</sup> Other parties in this docket have similarly argued that extending the definition of universal service to include high speed broadband is statutorily problematic.<sup>37</sup> Indeed, as pointed out by AT&T and several commenters in response to the FCC's February USF-ICC NPRM, the Commission's objective of only supporting broadband at actual 4 Mbps download and 1 Mbps upload speeds is inconsistent with the Act's focus on supporting services that "have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential consumers."<sup>38</sup> Economists from the Mercatus Center at the George Mason University recently have provided the FCC with similar analysis that the proposed definition of universal service cannot be squared with the Act's requirements.<sup>39</sup> Indeed, by the FCC's own analysis, 60% of Internet connections have download speeds of *under* 3 Mbps.<sup>40</sup> Thus, at this point in time, the FCC cannot support broadband at the proposed speeds.

Not only is the expanded definition of universal services statutorily deficient, but it would also be a poor policy decision. At the given speeds of service, the FCC would be forced to make a proverbial "deal with the devil," buying broadband deployment at the expense of all other supported services, thereby creating additional entry barriers for non-subsidized providers in a

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<sup>36</sup> Comments of SouthernLINC Wireless at 12-14.

<sup>37</sup> See Comments of Windstream Communications Inc. at 27, WC Docket No. 10-90 *et al.* (filed Apr. 18, 2011) (discussing why the addition of special access revenues to determine support for high cost areas is not, and could not, be a supported service because it has not been subscribed to by a substantial majority of residential consumers).

<sup>38</sup> Comments of AT&T at 93, WC Docket No. 10-90 *et al.* (filed Apr. 18, 2011).

<sup>39</sup> Comments of the Mercatus Center at the George Mason University at 3, WC Docket No. 10-90 *et al.* (filed Apr. 18, 2011) ("We also find that a substantial majority of residential customers do not subscribe to 4 Mbps/1 Mbps broadband.").

<sup>40</sup> Federal Communications Commission, Industry Analysis and Technology Division Wireline Competition Bureau, *Internet Access Services Report* (Mar. 2011).

manner that will damage the ability of other carriers or providers to effectively compete. The harm would be particularly great because many providers – including those that offer up to 3 Mbps – would lose funding that may still be needed in order preserve current service coverage upon which consumers in these areas rely. In addition, the proposed withdrawal of support would also eliminate competition for any supported 4 Mbps broadband service deployed in the future (including any voice services), thereby depriving the residents of supported areas of the benefits of competition (including lower prices, better services, and rapid deployment of new technologies).

While SouthernLINC Wireless wholeheartedly agrees that the definition of supported services can and should evolve over time, the Act requires that the FCC base its evolution upon the actual choices of residential consumers. As such, the addition of 4 Mbps broadband services to the list of supported services absent such a finding would be a textbook example of arbitrary and capricious rulemaking that is unsupported by the clear language of the statute. Rather than mandate broadband, the FCC should target support based on the choices that the substantial majority of residential consumers have already made, a far more efficient and pragmatic -- not to mention less expensive -- means of defining and deploying universal service.

**D. The FCC’s “Damn the Torpedoes” Rulemaking Approach Will Only Lead to Unnecessary Litigation and the Reversal of the Rules Being Considered**

Instead of rushing to adopt questionable proposals with an uncertain legal foundation in an effort to meet a self-imposed and arbitrary timeline, the FCC should step back, focus on what consumers want and need, and base its reform efforts on the universal service provisions in its enabling statute, the Act. In this and related proceedings, numerous parties have repeatedly demonstrated the profound legal and policy flaws in the Commission’s proposed reforms. Rather than directly addressing these substantial flaws, the Commission has systematically ignored them

in its various Notices and made clear in various public statements that an order will be adopted by “this fall”, which seemingly reflects a “damn the torpedoes” approach to rulemaking that is inconsistent with the Administrative Procedure Act.

**1. Almost All Parties Recognize That the Three Proposals Are Insufficiently Specific to Form the Basis of An Industry-Wide Rule.**

There is widespread agreement among most parties that the three proposals, many of the specifics of which are mutually exclusive, have been insufficiently elaborated upon in order to provide meaningful comment on the contours of reform. The most egregious example of this failure to provide specifics is the failure by ABC Plan proponents or the FCC to make its proposed cost model publicly available. As noted by the Pennsylvania Public Utility Commission, “[t]he assumptions, the input parameters and their values, the internal logic and operation of the CQBAT model, and even the output results are opaque, and they have not been independently tested for their robustness and reliability. Nor has the USTA or the FCC made any arrangements for the independent testing and verification of the CQBAT model.”<sup>41</sup> Until further details of the distribution mechanism are made available, no party can realistically provide comment on this portion of the proposal.

In light of the unavailability of the model in order to test its assumptions and reliability, SouthernLINC Wireless and other carriers have not yet had an opportunity to review and provide comment on any proposals the Commission on the most important piece of the USF component of the ABC Plan, nor indeed for any comparable model that the FCC is considering adopting.

Therefore, SouthernLINC Wireless agrees with the Nebraska Public Service Commission and

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<sup>41</sup> Comments of the Virginia State Corporation Commission at 2; Comments of the Pennsylvania Public Utility Commission at 4; *accord* Comments of Iowa Utilities Board (“the extent to which the plans rely on economic cost models which have not yet been made available for examination has hampered the Board’s ability to answer most of the Commission’s questions in the Inquiry which are primarily technical in nature.”); Comments of the Louisiana Public Service Commission (“The unavailability for examination of economic cost models has placed the LPSC at a distinct disadvantage in reviewing the LPSC’s more technical concerns about the mechanics of the ABC Plan.”).

others that, at a minimum, “the Commission should require the ABC Plan proponents to provide further detail about the cost model so that interested persons can have a meaningful opportunity verify results or offer specific modifications.”<sup>42</sup> Indeed, the FCC must seek comment on the additional inputs and details of a model, auction proposal, or other distribution mechanism that the FCC decides to move forward with.

In the words of National Cable & Telecommunications Association, “[i]n addition to basic concerns about the public accessibility of the model, we have more specific concerns about the results it is likely to produce. In particular, the model appears to include only the costs of deploying incumbent LEC wireline broadband networks and to ignore the costs of deploying other types of broadband networks, including wireless broadband.”<sup>43</sup> Without additional details and time for meaningful analysis, any Order adopted by the Commission proposing to follow the ABC Plan’s proposals will only further harm regional and rural carriers and delay network deployment.<sup>44</sup>

## **2. The FCC Has Not Afforded a Meaningful Opportunity to Participate in This Proceeding.**

It should be noted that FCC’s unnecessarily abbreviated comment period will impair the ability of interested parties to meaningfully participate in this important proceeding. As the Third Circuit recently reminded the Commission, “the [Administrative Procedure Act] requires that the public have a *meaningful* opportunity to submit data and written analysis regarding a proposed rulemaking.”<sup>45</sup> The AARP expressed, “disappoint[ment] that the FCC’s request for comments to

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<sup>42</sup> Comments of Nebraska Public Service Commission at 3.

<sup>43</sup> Comments of National Cable & Telecommunications Association at 14; Comments of Rural Cellular Association at 8

<sup>44</sup> *Accord* Comments of NCTA at 14.

<sup>45</sup> *See Prometheus Radio Project v. FCC*, No. 08-3078, slip op. at 29-30 (3d Cir. July 7, 2011) (emphasis supplied) (holding that 28 day comment response period, instead of 90 day comment period violated APA’s notice and comment requirements).

these critical consumer issues was limited to a 21-day comment period in August, and that the Commission subsequently denied a request to extend the filing period.”<sup>46</sup> Similarly, the Pennsylvania Public Utility Commission lamented the “unwarranted and extremely abbreviated deadlines for further comment” on the reform proposals, a sentiment shared by other state regulators.<sup>47</sup> The short time period available to reply to comments on the proposals makes it unlikely that these and other parties will be able to substantively respond to arguments that the various Plan proponents have made in support of their proposals. As the Commission well knows, it is customary for a reply period in a standard rulemaking procedure to last for thirty days or more following the receipt of initial comments.

Though the FCC granted a six day reprieve in the filings of these reply comments in response to the USA Coalition, NASUCA, the Rural Telecommunications Group, and Rural Cellular Association’s independent requests to extend the period in which to file reply comments,<sup>48</sup> this minimal extension -- over a national holiday no less -- offers little solace to the parties in this proceeding with limited staff and resources with which to review and meaningfully respond to the over 120 comments constituting nearly 3,000 pages of commentary filed in just this latest phase of the rulemaking proceeding.<sup>49</sup> As noted by several parties, the short comment

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<sup>46</sup> Comments of AARP at 3.

<sup>47</sup> Comments of the Pennsylvania Public Utilities Commission, WC Docket 10-90 *et al.*, pg. 2 (filed Aug. 24, 2011); Comments of the Public Utilities Commission of Ohio, WC Docket 10-90 *et al.*, pg. 5 (filed Aug. 24, 2011) (“The time allotted for comment on the ABC Plan, however, simply does not permit the Ohio Commission, with its limited staff and resources, to discuss the Plan as comprehensively as it would like.”); Comments of Virginia State Corporation Commission at 2 (“The states and other parties are handicapped by the incredibly short timeframe provided for evaluation”).

<sup>48</sup> *See Connect America Fund*, WC Docket No. 10-90 *et al.*, *Order*, DA 11-1471 (rel. Aug. 29, 2011) (granting an extension of six days to file reply comments).

<sup>49</sup> *See* Letter from Todd D. Daubert, Counsel to the USA Coalition, to Marlene H Dortch, Secretary, FCC, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45 (filed Aug. 26, 2011); *accord* NASUCA Motion for Extension of Time, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45 (filed Aug. 25, 2011); Rural Telecommunications

cycle has forced many parties to limit their comments to only a limited set of issues, thereby depriving the FCC of a full record on which to evaluate these far-reaching proposals.<sup>50</sup>

The short turn-around for comments and the agency's repeated statements that it will essentially finalize an order less than a month after reply comments are filed suggests that the agency has already made up its mind and has no intention of seriously considering the industry input offered in either the initial comment round or these replies. This is a far cry from the requisite "open-minded" consideration of comments required by Section 553 of the Administrative Procedure Act.<sup>51</sup> The absence of such an opportunity not only denies the Commission the benefit of industry analysis, but also contravenes the Administrative Procedure Act in a manner unlikely to escape a reviewing court.

## **II. THE COMMISSION SHOULD CONSIDER ALTERNATIVE PROPOSALS BEFORE FINALIZING AND ADOPTING A USF/ICC REFORM PLAN**

Several parties have provided alternative frameworks that come far closer to addressing the needs and desires of American consumers while still meeting the requirements of the Act than the proposals currently under consideration. SouthernLINC Wireless, MTPCS, LLC d/b/a Cellular One, US Cellular, the USA Coalition and others have provided alternative models for the Commission's consideration that account for the existence of dynamic competition and an actual role for wireless in the universal service system, rather than as a mere afterthought as in

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Group Motion for Extension of Time, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45 (filed Aug. 26, 2011)

<sup>50</sup> Comments of Tennessee Regulatory Authority at 1; Comments of New Hampshire Public Utilities Commission at 1-2 ("Given the short timeframe for review of the proposals, the New Hampshire Public Utilities Commission... is limiting its comments to the Commission's inquiries regarding broadband coverage and adequacy. This focus does not reflect a determination that other issues, such as intercarrier compensation reform, are fully practical or appropriately addressed, but simply reflects the constraints of time.").

<sup>51</sup> *Cf. Advocates for Highway & Auto Safety v. Federal Highway Admin.*, 28 F.3d 1288, 1293 (D.C. Cir. 1994) ("A review of comments submitted and the responses made persuades us that the agency approached the post-promulgation comments with the requisite open mind.").

the ABC Plan.<sup>52</sup> Indeed, the FCC has a responsibility to ensure that funding for mobility services are “sufficient” and “predictable” so as to provide reasonably comparable access to mobile services.<sup>53</sup>

A range of plausible alternatives to the three proposals do exist, as SouthernLINC Wireless has amply demonstrated. For its part, SouthernLINC Wireless has set forth a workable reverse auction proposal that accounts for consumers’ growing preference for mobile services, including mobile broadband.<sup>54</sup> In addition, as part of the USA Coalition, SouthernLINC Wireless has provided the FCC with a for a reformed distribution mechanism proposal that would both reduce the size of the fund, provide for the reasonable comparability of services, and would comply with the pro-competitive intent of the Act.<sup>55</sup> SouthernLINC Wireless urges the Commission to review these proposals. Unlike any of the proposals currently before the Commission, the USA Coalition New Approach Proposal and the SouthernLINC Wireless Reverse Auction Proposal complies with the Act’s touchstone principles of “reasonable comparability” and “affordability.” As noted by US Cellular, “[i]t is in the national interest for rural citizens to have robust mobile broadband networks that permit them to properly access new devices and applications.”<sup>56</sup> The Commission should consider universal service alternatives that provide for such services in a manner that would provide specific, sufficient, and predictable

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<sup>52</sup> Comments of MTPCS, LLC d/b/a Cellular One, Attachment - Cost Model; US Cellular Ex Parte Letter, Attachment - USF Mobility Model Report (filed Aug. 6, 2011).

<sup>53</sup> *Accord* Comments of CTIA at 14.

<sup>54</sup> SouthernLINC Reverse Auction Proposal, *Federal-State Joint Board on Universal Service Seeks Comment on Long Term, Comprehensive High-Cost Universal Service Reform*, WC Docket No. 05-337, CC Docket No. 96-45, at 16-30 (filed Apr. 17, 2008).

<sup>55</sup> Comments of USA Coalition, Attachment A, *A New Approach to Universal Service Reform*, WC Docket No. 10-90 *at al.* (Aug. 24, 2011) (“USA Coalition New Approach Proposal”).

<sup>56</sup> Comments of US Cellular at 22.

support to ensure that rural citizens have comparable access to these services as exist in urban areas.

**A. The USA Coalition's New Approach Proposal Creates the Proper Incentives To Achieve the Statutory Universal Service Goals Without Inhibiting Competition or Eliminating Consumer Choice**

As part of its reform efforts, the Commission should consider adopting the New Approach Proposal that SouthernLINC Wireless submitted as a member of the USA Coalition.<sup>57</sup> Under that plan, support would be distributed based upon the costs that the incumbent and competitive LECs actually incur, with every ETC serving a particular supported area being eligible for reimbursement of an identical percentage of the eligible costs it incurs. The subsidized percentage could be identified by comparing costs in the supported area with those in other areas through any number of means (*e.g.*, cost models or the comparison of various cost inputs), and the percentage could be adjusted as necessary in response to future market conditions (*i.e.*, increased if not enough entry has occurred or decreased if too much entry has occurred). Importantly, providing subsidization for the same percentage of costs to all potential ETCs would ensure that the government does not change the competitive balances between technology types, unlike the RLEC and ABC Proposals.

Under the USA Coalition New Approach Proposal, incumbents and competitors would compete for subscribers on a level playing field and would succeed or fail based upon consumer demand for their products and services, in turn, facilitating consumer choice. This approach stands in sharp contrast to the ABC Proposal and the others before the Commission, which would require the Commission to commit to supporting only a single provider in each area for an extended period -- often more than 10 years. Similarly, the eligible costs for which ETCs would

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<sup>57</sup> See Letter from Todd Daubert, USA Coalition, to Julius Genachowski, FCC, WC Docket No. 05-337, at 6 (Oct. 27, 2009).

receive reimbursement would be clearly defined and easily auditable, and the increased transparency at the beginning of the process would improve the ability of carriers to predict their support levels before distribution and reduce the need for complex and burdensome audits after distribution. Indeed, both incumbent LECs and competitive ETCs would know exactly how much support they would receive before they make a decision regarding network or service expansion, which would facilitate the type of economically rational decision-making that improves the efficiency of USF support. SouthernLINC Wireless respectfully urges the Commission to consider this proposal as an alternative to the Industry Proposals currently under consideration.

**B. The SouthernLINC Wireless Reverse Auction Proposal Addresses the Flaws Inherent in the Industry Proposals and Single Winner Reverse Auctions**

Alternatively, under the SouthernLINC Wireless Reverse Auction Proposal originally submitted in 2008,<sup>58</sup> the Commission would determine which of the communications services that are typically available in urban areas should be supported and then define two service packages based upon those determinations: one service package with carrier of last resort and open access obligations (the “CLR Package”) and another without carrier of last resort or open access obligations (the “NCLR Package”). Both packages would require the winning bidder to provide a minimum set of features (e.g., single party service, voice grade access to the PSTN, DTMF signaling, access to emergency and operator services, access to interexchange service, etc.) for a set price or less in order to receive the amount of support established by the winning bid for each package provided to a consumer.

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<sup>58</sup> See SouthernLINC Reverse Auction Proposal, *Federal-State Joint Board on Universal Service Seeks Comment on Long Term, Comprehensive High-Cost Universal Service Reform*, WC Docket No. 05-337, CC Docket No. 96-45, at 16-30 (filed Apr. 17, 2008) (SouthernLINC Reverse Auction Proposal).

By requiring the Commission to cap the rates winners of its CLR and NCLR packages may charge at “reasonably comparable” and “affordable” rates. Support under the SouthernLINC Wireless Reverse Auction Proposal would also be “sufficient” because the winning carrier itself determines the amount of support it receives. This approach stands in sharp contrast to the proposals currently before the Commission which provide no assurances that, even if such services are ever deployed, consumers in the rural areas will be able to afford them. Finally, by awarding multiple support packages per area, the Commission can allow consumers in rural areas to continue to reap the benefits of competition while reducing the overall size of the fund through the auction process itself, which will both limit the number of supported ETCs in each area and the amount of funding they receive. Although SouthernLINC Wireless prefers the USA Coalition’s New Approach Proposal, the Reverse Auction Proposal provides yet another example of fundamental reform that is consistent with the requirements of the Act, unlike the proposals currently before the Commission.

**III. ICC REFORM SHOULD NOT BE ACCOMPLISHED BY DISMANTLING THE USF MECHANISM, ESPECIALLY SINCE THE RECORD SHOWS THAT ICC REVENUES WOULD NOT OFFSET THE LOSS OF USF SUPPORT FOR CETCS**

As pointed out by several parties, the three proposals in the *Public Notice* are less of an attempt at true USF reform and more of an intercarrier compensation framework that proposes specific USF reforms in order to achieve its end. To be sure, SouthernLINC Wireless joins those that support the FCC’s proposal to transition to a low, uniform rate.<sup>59</sup> However, the minimal intercarrier compensation savings that would be enjoyed by most smaller and regional wireless carriers should not be taken as a green light by which to slash USF support to CETCs. Thus, while SouthernLINC Wireless generally supports the goal of intercarrier compensation reform, it should not be accomplished by ignoring the Commission’s obligations established in Section 254

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<sup>59</sup> *Accord Comments of CTIA at 2-3.*

to make services available in rural areas “reasonably comparable” to those available in urban areas. As NASUCA notes, “[a]ny attempt to circumvent the clear meaning of the Act by hijacking the universal service fund from serving its intended purpose of compliance with section 254 of the Act must clearly fail for multiple legal reasons.”<sup>60</sup> The Commission cannot achieve intercarrier compensation reform or encourage broadband deployment by eliminating the support necessary to achieve Section 254’s statutory obligations.

It is not surprising that the large carriers and small incumbent LECs who proposed the ABC Plan have supported the effort to reduce both intrastate and interstate access charges.<sup>61</sup> In exchange for reduced access charges to rural areas, the large carriers have agreed to protect these rural incumbents from meaningful reform in several ways, chiefly by largely protecting them from phase-outs of high cost funding, by allowing rural ILECs to recover any lost intercarrier compensation revenues in the form of additional USF support, and the promise of additional funding for “broadband deployment” both to rural ILECs and to the very carriers that proposed the ABC Plan.

Further, despite assertions to the contrary, intercarrier compensation reform will not significantly offset the reductions in USF support proposed in either the USF/ICC NPRM or in any of the three plans upon which the Public Notice seeks comment. As noted by RCA, “the limited savings that rural wireless carriers can expect to realize as a result of reduced access charge payments would in no way compensate for the dramatic declines in USF support available for wireless carriers under the ABC Plan.”<sup>62</sup> The internal data presented in

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<sup>60</sup> NASUCA Comments at 51.

<sup>61</sup> *See, generally*, Comments of AT&T, CenturyLink, FairPoint, Frontier, Verizon, and Windstream.

<sup>62</sup> Comments of Rural Cellular Association at 4.

SouthernLINC Wireless' confidential comments filing amply demonstrates this fact.<sup>63</sup> As we noted in that filing, the reason the proposed intercarrier compensation reform will have relatively little impact is that a large portion of the traffic that SouthernLINC Wireless originates is delivered to other SouthernLINC Wireless customers, is delivered to other parties that cannot assess access charges, is exchanged with other wireless carriers under bill and keep, or is already subject to low access charge rates. As a net result, the savings associated with ICC reform will be minimal compared to the amount of USF support that stands to be withdrawn under the current proposals.

As pointed out by CTIA, the Commission itself has acknowledged that the diversion of funds away from competing providers and technologies will harm not only the wireless network, but also will retard the deployment of advanced wireline services in the future.<sup>64</sup> The FCC should not foreclose rural markets from the promise of mobile broadband simply because, at this time, it is unlikely that mobile providers could provide the speeds called for by the proponents of the three plans or the *National Broadband Plan*. Rather, the USF and ICC systems should be reformed in a manner that is consistent with recent technological, market, and regulatory changes that meaningfully accounts for wireless service.

#### **IV. FIDELITY TO THE ACT IS CRUCIAL TODAY AS COMPETITIVE COMMUNICATIONS OPTIONS IN RURAL AREAS CONTINUE TO SHRINK AND CONSUMERS CONTINUE TO RELY UPON BASIC VOICE SERVICES**

As the Department of Justice has recently noted, the competitive environment in wireless telecommunications services is under attack.<sup>65</sup> Diminished competition in the wireless

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<sup>63</sup> Comments of SouthernLINC Wireless at 24-26.

<sup>64</sup> Comments of CTIA at 18 (quoting the *National Broadband Plan* at 147: “permitting carriers to be made whole through USF lessens their incentives to become more efficient and offer innovative new services to retain and attract customers.”).

<sup>65</sup> See, generally, Complaint, *United States v. AT&T*, 550 1:11-cv-01560 (filed Aug. 31, 2011).

telecommunications market harms consumers by leading to higher prices, diminished capital investment, and less product variety and innovation than would exist in the presence of greater competition.<sup>66</sup> Indeed, as the Commission itself has recently recognized, competition in the communications marketplace leads to lower prices, higher consumption, and better quality services, while more concentrated markets impair these benefits.<sup>67</sup> Thus, when considering any universal service reform the FCC must be careful not to damage the competitive landscape of the telecommunications market in the process.<sup>68</sup>

Despite the recognized benefits of competition -- including the mere threat of competitive entry -- to consumers, all three of the proposals would damage the competitive ecosystem of the communications marketplace. As noted by AARP, the most glaring example of this damage involves the elimination of support for existing, sub-4 Mbps download capable carriers which would “damage the viability of basic telephone service” that many consumers still rely upon.<sup>69</sup> By withdrawing support from all telecommunications services that do not meet the target speed criteria of 4 Mbps actual download speeds at this time, existing networks that are sub-4 Mbps -- including those that offer up to 3 Mbps -- would lose funding that may still be needed in order to preserve current service coverage, destroying competition not only for the supported broadband service, but for a host of other services as well, including most wireless telecommunications

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<sup>66</sup> *Id.* at 18.

<sup>67</sup> *See Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, including Commercial Mobile Services, WT Docket No. 10-133* at ¶ 10 (rel. June 27, 2011) (“*Fifteenth Wireless Competition Report*”) (making no finding of “effective competition in the [wireless communications] industry,” noting the “highly concentrated” nature of the industry, and finding that prices that are no longer falling for cellular services).

<sup>68</sup> *See* Comments of AARP at 3.

<sup>69</sup> *Id.*

services, depriving the residents of rural areas the service options available to those in urban areas in the process.<sup>70</sup>

It would be difficult, if not impossible, for existing carriers to deploy additional facilities to serve, or continue to serve, areas where a competitor is receiving subsidies from the Connect America Fund that are unavailable to any other carrier. Indeed, as noted by Panhandle Telecommunication Systems, Inc., this harm will be compounded by the elimination of current support, which will make it difficult to cover the operating costs of existing infrastructure serving some of the most rural areas with low population densities.<sup>71</sup> Indeed, this is all the more true of regional wireless carriers like SouthernLINC Wireless that, unlike national carriers, are unable to cross-subsidize markets.<sup>72</sup> As Cellular One has explained, “regional carriers invest more capital in their networks than larger carriers, as a percentage of revenue” and therefore removing funding for such capital expenditures “would inject unacceptable uncertainty into business plans by unpredictably reducing the amount of support available for costs that are allocated over a region.”<sup>73</sup> By systematically reducing support for both capital and operating expenses local and regional competitive carriers will be harmed, and possibly pushed out of the market altogether, which would only increase the concentration of service providers in rural areas to the detriment of consumers who live and work there.

As a regional wireless carrier addressing the needs of consumers who live and work in rural areas and improving the nation’s emergency response capabilities, SouthernLINC Wireless is one of a shrinking number of carriers who provide the types of telecommunications service alternatives necessary to ensure that consumers and businesses enjoy the benefits of competition

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<sup>70</sup>

*Id.*

<sup>71</sup>

Comments of Panhandle Telecommunication Systems, Inc. at 3.

<sup>72</sup>

*See* Letter from Clyde C. Holloway, Commissioner, Louisiana PSC, to Chairman Genachowski, FCC (Aug. 18, 2011).

<sup>73</sup>

MetroPCS d/b/a Cellular One comments at 26.

in rural and high cost areas. Indeed, SouthernLINC Wireless is proud of its focus on serving rural communities, and not just the cities and highway corridors upon which larger carriers tend to focus their efforts. The SouthernLINC Wireless network serves as a competitive option to major carriers, one that has been adopted by hundreds of thousands of subscribers in the Southeast, providing services that the Commission has recognized are beneficial to consumers. Thus, SouthernLINC Wireless urges the Commission to proceed cautiously in considering any proposal to reduce or eliminate USF support to competitive carriers.

## CONCLUSION

While much work has been done in this docket, the record clearly indicates that the FCC's mission is not yet complete. Until a policy proposal is set forth that addresses the evolving nature of communications networks and the need to comply with the Act's clear mandates, the objections raised above will remain. For the reasons set forth above, SouthernLINC Wireless urges the Commission to heed the comments of the parties in the docket and base its reforms soundly within the requirements of the Act. Local and regional carriers like SouthernLINC Wireless are vital to the Nation's communications networks, yet the Commission's proposals threaten the viability of these providers and in a manner that does not comport with the universal service provisions of the Act. SouthernLINC Wireless, therefore, joins those who oppose the proposed reforms and urges the Commission to explore new proposals that reflect the requirements of the Act and better serve the interests of all consumers, regardless of where they live and work.

Respectfully submitted,



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Date: September 6, 2011