

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

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

**AMENDED REPLY COMMENTS OF LAURENCE BRETT (“BRETT”)  
GLASS, d/b/a LARIAT, A WIRELESS INTERNET SERVICE  
PROVIDER SERVING ALBANY COUNTY, WYOMING**

Laurence Brett (“Brett”) Glass, a sole proprietor doing business as LARIAT, a wireless Internet service provider serving Albany County, Wyoming, responds to the Commission’s *Further Notice* regarding the above captioned matters,<sup>1</sup> and to the comments filed in response to it, with the following comments. These comments have been slightly amended to correct typographical errors and add references.

LARIAT, founded in 1992, has been working – without government subsidy – toward the stated goals of the proposed Connect America Fund for nearly two decades. We were the first of the numerous

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<sup>1</sup> In re *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; Further Inquiry Into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding, DA 11-1348 (rel. Feb. 13, 2011) (Further Inquiry).

terrestrial wireless Internet service providers (WISPs) now doing business within the continental United States, and continue to refine our technology and business models daily. We are thus expert in the deployment of broadband to unserved and underserved areas, as are WISPs as an industry.

LARIAT wishes to reiterate its considered opinion, shared by virtually all independent ISPs and WISPs, that no system of Federal subsidies would stimulate broadband deployment more than certain other actions, including special access reform, increased availability of licensed and “lightly” licensed spectrum to small and rural carriers, relaxation of Part 15 restrictions on unlicensed spectrum for rural broadband providers, pre-emption of arbitrary local restrictions on tower and antenna siting, and “dig once” requirements that would reduce the cost of backhaul and middle mile infrastructure deployment. While the Commission’s authority to make many of the changes it has proposed in the present proceeding has been questioned,<sup>2</sup> many commenters have agreed that encouraging competition – rather than anticompetitive measures such as a right of first refusal (ROFR), winner-take-all reverse auctions, and/or granting to state governments, which are easily swayed by corporate lobbyists, the authority to pick winners and losers – is the best way to ensure that unserved citizens receive service.

#### **THE USF “CONTRIBUTION” ON CONSUMERS’ BILLS IS A TAX AND MUST BE APPLIED COST-EFFECTIVELY**

Any serious discussion of the USF or USF reform must begin by noting that the USF line item which appears on every user’s telephone bill is not a “contribution” but rather a targeted excise tax. As is the case with other excise taxes, the goods and services to which it is applied cannot legally be had without paying it. As such, it is the duty of the Commission, and of government in general, to ensure that it is spent in the most cost-effective manner possible. Measures arbitrarily favoring any industry, group of businesses,

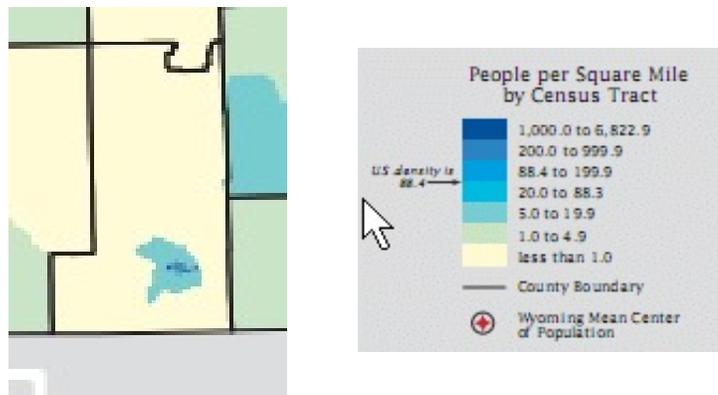
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<sup>2</sup> See, for example, Reply Comments of Cellular South, Inc., *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing 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; filed May 23, 2011, available at <http://fjallfoss.fcc.gov/ecfs/document/view?id=7021651266> (Cellular South Reply Comments).

or technology are therefore not only inappropriate but harmful, especially in difficult economic times.

## **RIGHTS OF FIRST REFUSAL, AS PROPOSED IN THE “ABC PLAN,” WOULD GRANT MONOPOLIES ON FUNDING TO ILECS WHILE HARMING CONSUMERS**

The “ABC Plan”<sup>3</sup> is particularly objectionable in this regard because it is cynically crafted to provide incumbent local exchange carriers, who are rarely the most cost-effective option, with a right of first refusal in virtually every area where CAF funding will be the highest. This is because in rural areas – unlike urban ones – there are no suburbs. Towns and villages containing wire centers invariably contain the vast majority of the population, with density thinning out very abruptly as one leaves town. The population density profile of Albany County, Wyoming – the territory served by LARIAT – is typical:



In Albany County, Wyoming, the City of Laramie has a population density of more than 1,000 persons per square mile, while most of the rest of the county has less than 1 resident per square mile. (Source: US Census

Bureau, 2010 Wyoming Population Profile Map, available at [http://www2.census.gov/geo/maps/dc10\\_thematic/2010\\_Profile/2010\\_Profile\\_Map\\_Wyoming.pdf](http://www2.census.gov/geo/maps/dc10_thematic/2010_Profile/2010_Profile_Map_Wyoming.pdf))

As one can see from the map, the population is extremely concentrated in the relatively small area where CenturyLink provides DSL service. Thus, even though its market share within the city is impacted by the presence of cable modem service and other aggressive, high quality competitors (including LARIAT), the

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<sup>3</sup> See Letter from Robert W. Quinn, Jr., Senior Vice President – Federal Regulatory & Chief Privacy Officer, AT&T et al., to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 et al. (filed July 29, 2011) (“ABC Plan”)

35% market share threshold of the ABC Plan is so low that it would nonetheless give the ILEC a right of first refusal throughout the very large area served by the Laramie central office. The result: taxpayer money would be wasted as subsidies flowed to the incumbent rather than to more cost-effective providers such as WISPs. The bottom line: should the ABC Plan be implemented, the incumbents would be granted an inappropriate and unnecessary right of first refusal in virtually every “high cost” rural area.

### **NO SEPARATE FUND SHOULD BE CREATED FOR ANY TECHNOLOGY OR INDUSTRY**

The Further Notice inquires as to whether a “Mobile Connect America Fund” should be created specifically to subsidize the deployment of mobile data services. Such a fund would be objectionable for several reasons. Firstly, by favoring one technology, it picks winners and losers rather than allowing carriers to compete and the market to decide. Secondly, it implies that mobile data services are equivalent to wireline or fixed wireless broadband and therefore deserving of special subsidies. This is not the case. Mobile data services invariably have longer round trip latencies (200 ms to 500 ms or more compared to 40 ms or less) than the fixed wireless services provided by wireless providers such as LARIAT, making them unsuitable for many applications. Consumers should have the right to opt – preferably via a voucher system in which they select carriers in an active, vibrant market – for a provider whose performance is more suitable for the real time applications that they are, increasingly, using.

The plans mentioned in the Further Notice also tie compensation to the “number of loops” provided by a carrier, again showing a bias toward wireline carriers. (Wireless carriers do not, obviously, have “loops.”) The ABC Plan further proposes that satellite technology be used to serve the most remote and highest cost areas, effectively advocating the Commission bypass WISPs (who compete directly with incumbents in both urban and rural areas) in favor of a technology with lower performance. Finally, as Free Press points out, the cost model of the ABC Plan excludes wireless and thus intentionally ignores its economic advantages.<sup>4</sup> LARIAT reiterates its emphatic stance that the Commission, whose charter is to

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<sup>4</sup> See Free Press Further Inquiry Comments, *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*

serve as an apolitical expert agency, should not bow to political or lobbying pressure from any technology group or industry, but rather should retain a consumer-centric focus. It should enable the consumer to choose between the widest range of possible providers, and ensure that all comers are able to compete on a level playing field.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Laurence Brett Glass". The signature is written in a cursive, flowing style.

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