



The Competitive Carriers Association

Rural Cellular Association

805 15th Street NW, Suite 401

Washington, DC 20005

Office: (202) 449 -9866 • Fax: (866) 436 -1080

October 6, 2011

Via ECFS

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

**Re: CC Docket No. 01-92
WC Docket No. 10-90
WC Docket No. 07-135
WC Docket No. 05-337
GN Docket No. 09-51**

Dear Ms. Dortch:

On October 4, 2011, Steven K. Berry, President and CEO of RCA; Tim Donovan, VP of Legislative Affairs of RCA; In-Sung Yoo, Assistant Regulatory Counsel of RCA; Jeffrey H. Blum, Senior VP & Deputy General Counsel of DISH Network; Lisa R. Scalpone, VP of ViaSat and VP and General Counsel of WildBlue Communications; John P. Janka of Latham & Watkins, counsel to WildBlue and ViaSat; and I met with Margaret McCarthy, Policy Advisor to Commissioner Copps to discuss universal service reform. The meeting addressed the ongoing concerns of competitive carriers regarding some of the wireline-centric reform proposals under consideration, as well as the uncertainty surrounding CETC access to high-cost support during the transition to a new wireless broadband funding mechanism.

As RCA's most immediate concern, RCA discussed how uncertainty surrounding transition to a standalone Mobility Fund has delayed existing deployment plans, threatens to put future broadband investment on hold, and adversely impacts potential new entrants. RCA continues to push for a sufficient amount of support and use of a cost model with success-based portability.¹ But in the near-term, the business concerns of RCA's carrier members also require immediate focus on the potential phase down of current high-cost support. The insufficient level of funding allocated to the Mobility Fund is a major concern, but the possibility of high-cost support elimination without a delineated replacement mechanism compounds that uncertainty, a crucial issue for carriers with financial commitments of 10 or more years. RCA described how this uncertainty has and will continue to harm wireless carriers and the consumers they serve, while providing wireline carriers a competitive head start.

¹ Letter of Steven K. Berry, President & CEO, RCA, and Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 *et al.* (Aug. 3, 2011) at 5–8 [hereinafter *ABC Plan Letter*].

The potential withdrawal of high-cost support has already negatively impacted established build-out plans. Decommissioning cell sites would harm consumers, local business and public safety.² And once shut down, there is no guarantee that subsequent funding would revive those sites. RCA urged the FCC to allow current CETCs receiving USF support the opportunity to determine whether they will have access to USF under the FCC's new mechanism to avoid stranded investment. The Commission must ensure sufficient funding for wireless CETCs and delay phase down of existing support until a replacement funding mechanism has been established and implemented.³ A well-reasoned and rational glide path to high-cost mobile broadband funding must adhere to principles of competitive and technological neutrality and ensure vital services are not affected during this transitional phase.

The remainder of the discussions focused upon the following points: (i) unserved households should be a focus of the CAF; (ii) the right of first refusal for ILECs as proposed in the ABC Plan is bad for consumers, particularly those in unserved areas; (iii) a number of competitive broadband providers stand ready to serve the unserved; (iv) for unserved households in particular, a market-based mechanism should be used to award CAF support; (v) the CAF should not be divided into different funds for different technologies; (vi) the ABC Plan's proposed allocation of funds to satellite and wireless technologies is grossly inadequate, particularly given the significant role those technologies will play in deploying state-of-the-art service to the unserved; and (vii) it is competitively crucial that the Commission make clear in its October decision that all technologies are eligible under the CAF.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

/s/

Rebecca M. Thompson
General Counsel

cc: Margaret McCarthy

² *In re* 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 an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up, *Comments of MTPCS, LLC d/b/a Cellular One*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45 (Aug. 24, 2011) at 28.

³ See *CAF NPRM Comments* at 20-21; *CAF NPRM Reply* at 5.