



October 20, 2011

Sharon Gillett, Chief
Wireline Competition Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Written *Ex Parte* Presentation
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;

Dear Ms. Gillette,

The Wireless Internet Service Providers Association (“WISPA”) appreciates this opportunity to summarize our position with respect to the above-referenced Universal Service Fund (“USF”) and Connect America Fund (“CAF”) dockets.

Founded in 2004, WISPA is a fast-growing trade organization representing more than 600 WISPs, vendors, consultants and others interested in promoting, improving and expanding fixed wireless broadband service nationwide. WISPs serve more than two million residential and business customers and operate in every state. WISPs serve rural communities and other areas that would otherwise be unserved, and where few or any other broadband options exist. WISPs often deploy networks in areas where the deployment of wireline facilities such as cable and DSL are not and may never be cost-effective. In the vast majority of cases, WISPs have achieved these accomplishments without any government subsidies, grants or loans whatsoever, and are transforming life in rural America without taxpayer support. Chairman Genachowski recently acknowledged the innovative role that WISPs have had in providing affordable broadband, stating that “[f]or Americans living in the most remote areas of the country, the Connect America Fund will use market-based mechanisms to enable affordable broadband through innovate technologies, *including next-generation satellite and unlicensed wireless.*”¹

Though WISPs are often the only broadband providers in some rural communities, in some other communities WISPs must compete with much larger operators, typically wireline telephone and mobile broadband companies that, in some cases, receive USF funds intended to

¹ See “Connecting America: A Plan to Reform and Modernize the Universal Service Fund and Intercarrier Compensation System,” as prepared for delivery by FCC Chairman Julius Genachowski (“Genachowski Speech”), at p.9 (emphasis added).

subsidize voice service. In the wake of these competitive inequities, in 2009, WISPA filed Comments with the Commission supporting transition of high-cost USF programs to a redesigned mechanism that explicitly funds broadband. Since that time, many WISPs have spoken out in favor of complete elimination of high-cost support mechanisms given that most WISPs are not providers of “telecommunications” services and, under current interpretations, would thus not be eligible for funding. However, if the Commission decides to establish a CAF, the new program must correct the abuses and inequities of the USF program that lead to the subsidization of wireline and mobile companies that compete directly with WISPs.

Recently, WISPA published a white paper entitled “America’s Broadband Heroes: Fixed Wireless Broadband Providers” (copy attached as Appendix A) that highlights the technical and economic advantages of fixed wireless broadband technologies, shows how WISPs are overcoming obstacles to deliver broadband and outlines how, using unlicensed spectrum, subsidies have not been necessary to provide rapid deployment to unserved and underserved areas. With this background and perspective in mind, WISPA respectfully reiterates that the following points made in its April 18, 2011 Comments be specifically and sufficiently addressed:

1. WISPA agrees with the Commission’s position to characterize broadband without reference to any particular technology. CAF recipients should be allowed to use any applicable technology, including fixed terrestrial wireless technology to deliver fixed wireless broadband service to areas determined to be eligible for funding. Given the proven ability of WISPs to deliver rural broadband using low-cost networks to serve areas that would otherwise require high-cost cable, DSL or fiber networks, technology neutrality must be a hallmark of the CAF system.
2. The Commission should adopt and administer uniform eligibility requirements nationwide for funding recipients, and ensure that all broadband providers – not just “eligible telecommunications carriers” (“ETCs”) – will be eligible for CAF subsidies. Through existing authority, forbearance from enforcing the stringent existing eligibility criteria or some other means, the Commission should establish one nationwide standard that establishes funding eligibility for all nationwide providers that demonstrate their broadband delivery capabilities to the Commission. Expanding CAF eligibility would be manifestly consistent with the public interest in expanding broadband and reducing subsidization costs. If the Commission cannot adopt a technology-neutral eligibility standard, it should require subsidy recipients to open their middle-mile facilities to WISPs and other last-mile providers.
3. To assure that funds are being efficiently used, WISPA supports a cap on subsidies in any given census block. WISPA also believes that subsidies must be limited to capital expenses only and not be used for operating expenses.
4. WISPA believes that the Commission should consider, in lieu of the current pass-through system, a voucher-based system that allows consumers to pay for the cost of broadband installation.
5. WISPA acknowledges that while an oversight and compliance process is needed, the compliance burden should be minimal, balanced and narrowly tailored to the overarching objectives of the fund.

In many rural areas, WISPs have been and still are the only broadband providers and have deployed this broadband service without receiving any governmental subsidies. WISPA strongly opposes using CAF funding to overbuild or to compete with these privately-funded WISP networks. Indeed, Chairman Genachowski observed in his October 6 speech that in many areas, USF “subsidizes companies even though there is a competing provider – typically a cable company – providing voice and broadband service without a dollar of government support. In some places the program funds three or four overlapping networks.”² Often these subsidized networks overlap with existing fixed wireless networks.

In recent weeks, WISPA has created state maps derived from data submitted to NTIA as part of the National Broadband Map program. Three of these state maps – Ohio, Oregon and Texas – are included in Appendix B hereto. The red areas of each map show areas where existing WISPs are the *only* providers of fixed broadband service – consumers have no other source for fixed broadband service. Every state has similar areas where privately funded WISPs are the exclusive providers of fixed broadband service. As the Commission implements CAF, it must consider the presence of existing fixed broadband services as depicted on the evolving National Broadband Map, and must not subsidize competitors, especially existing broadband providers that have never relied on federal funding to build and operate their networks.

WISPA appreciates this opportunity to once more present our views. We respectfully request that as the Commission works to correct the current USF inequities and to structure new, equitable CAF program rules, it should adopt the proposals WISPA has made in the above-referenced proceedings.

Respectfully submitted,

/s/ Elizabeth Bowles

/s Jack Unger

Elizabeth Bowles, President

Jack Unger, FCC Chair

Attachments

² Genachowski Speech at p.5.