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VIA ELECTRONIC FILING

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

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 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

Dear Ms. Dortch:

On October 20, 2011, Nancy Victory and the undersigned, on behalf of the Puerto Rico Telephone Company, Inc. (“PRT”), met with Angela Kronenberg regarding the above-captioned proceedings. Also yesterday, both Gregg Elias and I spoke over the telephone with Zachary Katz, Chief Counsel and Senior Legal Advisor for Chairman Genachowski, regarding the above-captioned proceedings. PRT representatives explained that based on the Commission’s own statistics more Americans without access to broadband live in Puerto Rico than in any other U.S. state or territory. We further explained that the high costs of serving an insular area combined with the exceedingly poor population on the island made deployment of broadband in Puerto Rico generally uneconomic in most areas without federal funding. PRT representatives specifically proposed the following language to ensure that any new universal service broadband mechanism support one of the jurisdictions most in need of support:

“In its *Notice of Proposed Rulemaking* in this proceeding, the Commission recognized that “24 million Americans live in areas where there is no access to any broadband network.” See *Connect America Fund et al.*, Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., FCC 11-13, ¶ 5 (rel. Feb. 9, 2011) (“*NPRM*”). One in six of those unserved Americans lives in Puerto Rico. *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and*

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Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, Amended by the Broadband Data Improvement Act, GN Docket Nos. 09-137, 09-51, Report, 25 FCC Rcd 9556 (2010) (*Sixth Broadband Deployment Report*).¹ In 2010, the Commission committed “to ensure that high-quality voice and broadband services are available in insular areas.” *High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Lifeline and Link-Up*, Order and Notice of Proposed Rulemaking, 25 FCC Rcd 4136, ¶ 2 (2010). In this proceeding, as we begin to transition the existing high cost support mechanisms to the new Connect America Fund to support broadband deployment, we are mindful that the most important goal of the Connect America Fund is to ensure that those areas most in need of universal service support for broadband deployment get such funding. Although we have every confidence that the CAF model approach will accomplish this goal, out of an abundance of caution, we require that any interim or future cost model distribute to areas in Puerto Rico that currently lack access to broadband no less federal universal service support than the island of Puerto Rico received from the high cost mechanism in 2010. This interim requirement should remain in effect until broadband deployment and subscribership measures in Puerto Rico resemble national measures. This approach is in the public interest, consistent with the plain terms of Section 254(b) of the Communications Act, and appropriate to ensure that Puerto Rico receives the transformational benefits engendered by ubiquitous broadband deployment.”

¹ Even by more recent measures, nearly three-fourths of the population of Puerto Rico remains unserved by broadband at speeds of 3 Mbps downstream and 768 kbps upstream compared with just 8% of the population of all states and territories with unserved areas. *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, Seventh Broadband Progress Report and Order on Reconsideration, GN Docket No. 10-159, FCC 11-78, Appendix D (rel. May 20, 2011) (“*Seventh Broadband Report*”) (reporting Form 477 census tract data). Using the county-level methodology used in the *Sixth Broadband Report*, the FCC reports that 98% of the population of Puerto Rico remains unserved by 3 Mbps down and 768 kbps up, showing that no improvement has been made since last year. See *id.* at Appendix C.



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Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

/s/ Thomas J. Navin

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cc: Angela Kronenberg
Zachary Katz