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April 16, 2012

Chairman Julius Genachowski
Commissioner Robert McDowell
Commissioner Mignon Clyburn

Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Connect America Fund Phase I

Dear Mr. Chairman and Commissioners:

As noted by the Commission and many members of Congress, there is an acute need for immediate broadband deployment in rural areas served by price cap carriers—areas that make up the lion's share of rural households in the nation. In service of this objective, the Commission has allocated $300 million per year to Connect America Fund Phase I ("CAF Phase I") for near-term broadband deployment by price cap carriers. Current Commission rules, however, circumscribe use of this funding to such an extent that much of it will go unused for the near term, while many rural residents continue to wait for access to broadband service that is sufficient to meet their needs.

Windstream and other price cap carriers believe that the rules can be modified slightly to significantly improve the effectiveness of CAF Phase I by utilizing funds to address critical broadband needs immediately, rather than parking the funds in an account for the near term. In particular, Windstream has submitted a proposal under which a carrier would first certify that it has fully deployed broadband to all households that can be reached for $775 in universal service support per unserved location, and then use remaining funds allocated to its service territory to replace second-mile copper connections to core network nodes with fiber optic lines. For Windstream alone, the difference would be dramatic. Under a strict $775-per-unserved-location test, virtually no new broadband would be deployed in Windstream's service territory. But under the two-step formulation with second-mile fiber funding, Windstream estimates that, with just one year of funding, it could provide 4 Mbps service to up to 258,000 additional locations—encompassing more than 600,000 consumers—that are not served by an unsubsidized fixed broadband competitor.

In this filing, Windstream elaborates on how its proposal can serve the Commission's articulated goals, estimates the significant benefits that would flow from adopting the recommended reforms, and expands on how and why Windstream's proposal can and should be readily operationalized. We urge the Commission to act now to make changes to the CAF Phase I program so that it can produce significant benefits for rural consumers.

Accelerated Broadband Deployment in Rural Areas Is a Shared National Priority

The Obama Administration has consistently recognized the critical need for expansion of broadband in rural and high-cost areas. The 2008 Democratic National Platform enunciated an intention to "implement a national broadband strategy (especially in rural areas, and our reservations and territories) that enables every American household, school, library, and hospital to connect to a world-class communications infrastructure."[1] In a speech shortly after his election, President Obama stated that "[t]o build an economy that can lead us to this future . . . means expanding broadband lines across America so that a small business in a rural town can connect and compete with their counterparts anywhere in the world."[2] And the National Broadband Plan released in 2010 emphasized the urgency of expanding broadband availability, stating that "[e]veryone in the United States today should have access to broadband services supporting a basic set of applications that include sending and receiving e-mail, downloading Web pages, photos, and videos, and using simple video conferencing."[3]

Likewise, each of you has recognized the need for further investment in broadband infrastructure in high-cost areas. Chairman Genachowski has noted that "ensur[ing] that all people in all corners of America—from small towns to highways to big cities—have ubiquitous broadband" is a "core part of our mission."[4] Commissioner Clyburn has declared it "unacceptable" that so many Americans continue to lack access to basic broadband and praised the fact that the current universal service reforms "provide for speedy broadband deployment to many of these consumers, with an injection in capital for both fixed and mobile technologies."[5] And Commissioner McDowell has noted that "spurring broadband to remote areas" will improve and expand rural health care and facilitate new economic growth, job development, and educational opportunities.[6]

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[1] The 2008 Democratic National Platform: Renewing America's Promise at 22 (Aug. 25, 2008).

[2] U.S. President-Elect Barack Obama, Remarks at George Mason University (Jan. 8, 2009), *available at* http://change.gov/newsroom/entry/president-elect_obama_speaks_on_the_need_for_urgent_action_on_an_american_r/ (last visited April 16, 2012).

[3] *See* Federal Communications Commission, Connecting America: The National Broadband Plan at 135 (rel. March 16, 2010) ("National Broadband Plan").

[4] Remarks of Chairman Julius Genachowski, M-Health Summit, Washington, D.C. (December 6, 2011).

[5] Statement of Commission Mignon L. Clyburn, *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; Universal Service Reform – Mobility Fund*, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking (rel. November 18, 2011) (*Comprehensive Reform Order*).

[6] Remarks of Commission Robert M. McDowell, First Annual Mid-Atlantic Telehealth Resource Center Summit, Charlottesville, VA (March 15, 2012).

CAF Phase I Is Capable of Significantly Advancing the Administration's Broadband Deployment Goals, but Not in Its Current Form

Recognizing the role of universal service reform in addressing broadband priorities, the Commission in the *Comprehensive Reform Order* created CAF Phase I, which provides $300 million in additional funding "for price cap carriers to extend robust, scalable broadband to hundreds of thousands of unserved Americans."[7] The Commission identified a need "to spur immediate broadband buildout"[8] in high-cost areas served by price-cap carriers, which have traditionally been underfunded relative to similar areas served by rate-of-return carriers.[9] The program "is designed to provide an immediate boost to broadband deployment in areas that are unserved by any broadband provider"[10] and thus facilitate the Commission's worthwhile goal of "expanding voice and broadband availability as much and as quickly as possible."[11]

Windstream strongly supports the concept of CAF Phase I. Almost exactly one year ago, Windstream recommended that the Commission institute immediate changes to the process of distributing high-cost funding to price cap carriers.[12] Last June Windstream and other price cap carriers submitted a detailed reform proposal,[13] and in October Windstream provided information on its actual per-location capital investment costs to inform the appropriate alignment of support and obligations in an interim support mechanism.[14] At that time, Windstream also suggested that support recipients should be given the flexibility to utilize funding to upgrade service to underserved areas and to deploy middle-mile fiber, which may enable new or enhanced service for wireless cell towers as well as anchor institutions and their surrounding communities.[15]

The promise of CAF Phase I, however, will not be realized if the program is implemented in the form set forth in the *Comprehensive Reform Order*. As recognized by the United States Telecom Association, the Telecommunications Industry Association, and a number of individual

[7] *Comprehensive Reform Order* at ¶ 22.

[8] *Id.*

[9] *See id.* at ¶ 128, n.201 ("The $300 million in additional support we allocate to price cap carriers today begins the process of closing the rural-rural divide by directing additional funds to areas served by price cap carriers.")

[10] *Id.* at ¶ 137.

[11] *Id.* at ¶ 145.

[12] *See* Comments of Windstream Communications, Inc., WC Docket Nos. 10-90, 05-337, 07-135, 03-109, GN Docket No. 09-51, CC Docket Nos. 96-45, 01-92, at 9 (April 18, 2011).

[13] Letter from Jennie B. Chandra, Windstream Communications, Inc., to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208 (June 30, 2011).

[14] Letter from Malena F. Barzilai, Windstream Communications, to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208 (October 21, 2011).

[15] *Id*.

commenters,[16] price cap carriers will not be able to utilize a substantial percentage of the $300 million to serve the Commission's goals the CAF Phase I program, because as currently structured, the program includes a requirement to deploy broadband to one unserved location per $775 in support received. The Commission did not derive the $775-per-location requirement from the actual cost data that was submitted by carriers, but rather based its determination on several flawed analogies and assumptions.[17] The actual cost of deployment to still-unserved areas is likely to be well above $775 per location in most cases. For example, as indicated by the CostQuest Broadband Analysis Tool submitted with the America's Broadband Connectivity Plan, the per-location cost of deploying 4 Mbps broadband service to the next one percent of Windstream's unserved subscribers—that is, to increase Windstream's broadband addressability from 92 percent of locations in its service territory to 93 percent of these locations—would cost $2,700 per location.[18] These high per-location costs reflect low population densities in Windstream carrier serving areas that lack broadband access, where the average node serves an area encompassing just 18 locations.[19]

Windstream has been working actively with the Commission for many months to develop a CAF Phase I framework that would enable price cap carriers to utilize the $300 million to advance the Commission's articulated goals. First, Windstream, as noted above, provided

[16] Petition for Reconsideration of the United States Telecom Association, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 3 (December 29, 2011) (stating that the $775-per-location requirement "is based on an unrealistic assessment of the cost of deploying broadband to homes in unserved areas and likely will deter carriers from accepting . . . support and deploying broadband to unserved areas in any meaningful manner"); Letter from Grant E. Seiffert, President, TIA, to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 1 (March 28, 2012) ("As the actual cost of deployment to still-unserved areas is likely to be well above $775 per location in most cases, this seems likely to undercut the Commission's broadband deployment objectives."); Opposition of CenturyLink, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 13-14, 16 (February 9, 2012) (observing that the "goal of deploying broadband to unserved areas as rapidly as possible will not be served if the Commission retains the requirement"); Letter from Tom Stanton, Chairman and Chief Executive Officer, ADTRAN, to Marlene H. Dortch, Secretary, FCC, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 2 (March 28, 2012) (noting that the requirement "is largely arbitrary and not an adequate representation of costs in many areas requiring support" and where the amount "is insufficient to make a viable business case for deployment, the carrier will decline the funds"); Opposition of Alaska Communications Systems Group, Inc., CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 6 (stating that relying on nationwide average costs will mean that "the amount of support generated under CAF Phase I for many Alaska wire centers will be insufficient even for one-time build-out expenses").

[17] Windstream Petition for Reconsideration and/or Clarification, CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109, GN Docket No. 09-51, and WT Docket No. 10-208, at 12-17 (December 29, 2011) (Windstream Petition for Reconsideration) (explaining in detail how the $775-per-location obligation is "based on several analogies and assumptions, none of which is apt").

[18] Windstream will be providing broadband access to 92 percent of the locations in its service territory once its broadband stimulus deployment projects are complete.

[19] With just $775 per location in support, CAF Phase I only would provide approximately $14,000 in support for the average unserved Windstream carrier serving area—a funding level that would be woefully inadequate under even the most conservative of cost estimates for fiber deployment, site preparation, and electronics installation.

company-specific actual per-location capital investment costs to help inform the development of a workable deployment obligation that would apply to the company under an interim support mechanism. Second, Windstream submitted a Petition for Reconsideration in December that explained how the Commission could use the CostQuest Broadband Analysis Tool submitted with the America's Broadband Connectivity Plan as an objective benchmark for determining appropriately targeted performance obligations that reflect the cost conditions in individual carriers' unserved and underserved areas.[20] Windstream also requested that the Commission clarify that CAF Phase I support will be distributed consistent with the framework proposed by six price cap carriers,[21] whereby a regression analysis would be applied to the entire pool of high-cost price cap funding but carriers would be held harmless in the distribution of support. Windstream noted that this framework would ensure support is distributed equitably and rationally in furtherance of the Commission's goals.[22] Third, Windstream most recently submitted a proposal that would allow a carrier to focus its allotment of CAF Phase I support on replacing second-mile copper facilities with fiber if the carrier's lower-cost locations do not require CAF Phase I funding to attain a minimum level of broadband access.

Windstream's Second-Mile Fiber Funding Proposal Will Result in Substantial Benefits for Rural Consumers

It is Windstream's understanding that the Commission intends to retain the $775-per-location deployment requirement for CAF Phase I, but is open to utilizing remaining incremental support "in other ways to advance our broadband objectives pursuant to our statutory authority."[23] Working within this framework, Windstream's most recent proposal for CAF Phase I would have the Commission preserve the $775-per-location figure and ensure that funding is directed first toward deployment to all unserved locations that can be served with that level of support, but would provide a supplemental framework whereby what remains of the $300 million in CAF Phase I support may be used by price cap carriers to deploy second-mile fiber to locations that otherwise would lack access to any fiber-based broadband service. This framework would ensure that the $300 million allotted for CAF Phase I can be used *now* to advance broadband deployment in rural areas, and will not be left sitting unclaimed indefinitely while consumers in high-cost areas increasingly will lack access to sufficiently robust broadband service. And because any funding for second-mile fiber only would be spent on deploying facilities to support 4 Mbps service for locations that are unserved by an unsubsidized broadband competitor, the Commission can be confident that the consumers addressed with CAF Phase I funding otherwise would continue to lack access to robust broadband service. The specifics of Windstream's proposal are in included the attached document.

[20] Windstream Petition for Reconsideration at 12-20 (setting out a specific process for calculating limits on each carrier's broadband deployment funding).

[21] Letter from Cathy Carpino, General Attorney, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 et al. (October 21, 2011) (ex parte presentation on behalf of AT&T, Verizon, CenturyLink, Windstream, FairPoint, Frontier, and USTelecom) (ABC Plan Coalition Letter).

[22] *See* Windstream Petition for Reconsideration at 3-12.

[23] *Comprehensive Reform Order* at ¶ 138.

The need for second-mile fiber has increased greatly in recent years. While subscribers connected to copper-fed DSLAMs may have been addressed adequately in the past, skyrocketing demands for bandwidth (fueled largely by on-line video streaming) are taxing the abilities of these DSLAMs—which can provide a fixed amount of throughput at any given time—to provide robust broadband to connected subscribers. In other words, subscribers that are currently "underserved," i.e., have access to broadband but at lower speeds than the Commission's 4 Mbps universal speed target, soon may be relegated to "unserved" status again, absent changes to CAF Phase I to permit funding for second-mile fiber. Five or six years ago, a single copper-fed DSLAM could accommodate several hundred subscribers' normal usage, which typically encompassed sending e-mails, shopping, and Web surfing; but as bandwidth demands substantially increase,[24] subscribers may find their broadband service now is insufficient to support many popular Internet applications. Subscribers on the same copper-fed DSLAM may experience speeds well below 768 Kbps during peak hours.[25]

With CAF Phase I reforms targeted to deployment of second-mile fiber, the Commission can avert this outcome for a large number of currently underserved consumers, while simultaneously enabling new broadband access for consumers that never before have been served. If the proposed reforms are adopted and support is allocated consistent with the framework proposed by six price cap carriers,[26] Windstream projects that it, in particular, would receive $115 million in CAF Phase I support in 2012, which would allow it to address an estimated 258,000 locations—encompassing more than 600,000 consumers—that lack 4 Mbps access: an estimated 39,000 unserved locations and 219,000 underserved locations. This support would address approximately *42 percent* of all Windstream locations that otherwise would lack 4 Mbps access in the foreseeable future. If the proposed reforms are adopted and support is allocated based on applying the regression analysis only to the $300 million, Windstream projects that it would receive $60 million in CAF Phase I support in 2012. It would be able to address an estimated 183,000 locations—encompassing more than 450,000 consumers—that lack 4 Mbps access: an estimated 24,000 unserved locations and 159,000 underserved locations. This support would address approximately 29 percent of all Windstream locations that otherwise would lack 4 Mbps access in the foreseeable future.[27]

These statistics do not include the collateral positive impacts on the provision of wireless broadband in high-cost areas. Price cap carriers have deployed a substantial number of

[24] Over the eight quarters from 1st quarter 2010 through 4th quarter 2012, bandwidth usage by Windstream's residential subscribers increased by more than 300 percent.

[25] A copper-fed DSLAM, which at most can be supported by eight T1 lines, has a total maximum capacity of 12 Mbps. The average Windstream copper-fed DSLAMs addressed by its proposal serves approximately 200 subscribers. Assuming 100 of those subscribers are using the network at the same time, each potentially could receive only 120 Kbps of throughput (12 Mbps divided by 100). Assuming only 20 subscribers are using the network at the same time, each potentially could obtain just 600 Kbps of throughput (12 Mbps divided by 20).

[26] *See* ABC Plan Coalition Letter.

[27] For some of the locations addressed with CAF Phase I support, Windstream may require a waiver of the 1 Mbps upstream performance requirement. *See Comprehensive Reform Order* at ¶ 95 (noting availability of waivers of the upstream requirement to the extent a CAF recipient can demonstrate that support is insufficient to enable 1 Mbps upstream for all locations).

wholesale fiber connections to wireless cell towers. With CAF Phase I support, these carriers would be able to drive fiber deeper into their rural service areas, and thereby reduce the costs of connecting other providers' wireless cell sites to fiber connections that can be leveraged to enable more robust mobile offerings in areas that will otherwise not have such facilities.

In addition, these estimated benefits do not account for the fact that CAF Phase I support has the potential to decrease demands in future years for funding both from CAF Phase II and the Mobility Fund. While ongoing support no doubt will be required for existing networks in high-cost areas, Windstream recognizes that CAF Phase II may take into account CAF Phase I awards when allocating appropriate support to a recipient or any other carrier, such as a wireless carrier, that utilizes the Phase I recipient's augmented network to reduce its own rural deployment costs. Any such offset would need to address $775-per-unserved-location funding, as well as second-mile fiber funding—as both have the potential to reduce CAF Phase II funding requirements. Indeed, the only way $775-per-unserved-location funding would not touch areas addressed by CAF Phase II would be if the funding were spent exclusively in areas that are *not* high-cost, an irrational approach that would be contrary to Section 254 of the Communications Act[28] and the Commission's express intent for universal service funding to supplement, not displace, normal levels of private sector investment.[29]

Under Windstream's proposal for CAF Phase I, the significant near-term benefits of new second-mile fiber deployments will be brought to rural consumers through a combination of public funding and a substantial private sector investment. A CAF Phase I support recipient would match second-mile fiber funding with its own private investment, at a level comparable to the maximum investment made in areas that are economic to serve. This approach means that the initial tranche of CAF Phase I funding in Windstream's service territory alone would unlock tens of millions of dollars of private sector investment that otherwise would not occur. In particular, Windstream projects that it would match the first tranche of CAF Phase I funding with an amount equal to approximately $41 million of its own money if it receives $115 million in support, and $22 million of its own money if it receives $60 million in support. Thus, Windstream would cover approximately 35 percent of the second-mile deployment costs with its own money—a private sector commitment level that is significantly greater than the 25 percent match that is required by the Rural Utilities Service broadband stimulus program.

The Full Potential of CAF Phase I Should Be Realized Now

There is no rational justification for not adopting a framework that would enable the full utilization of CAF Phase I support and the realization of these near-term benefits to consumers. Implementing Windstream's second-mile fiber proposal would not increase the size of the Universal Service Fund in the near or longer term. The $300 million has already been allocated for near-term, fixed broadband deployment, a complement to the $350 million set aside for near-term, mobile broadband deployment. And in fact, CAF Phase I support, as noted above, has the potential to *decrease* future annual funding requirements.

[28] 47 U.S.C. § 254.

[29] *See Comprehensive Reform Order* at ¶ 144 (noting the Commission's "expectation that carriers will supplement [CAF Phase I] incremental support with their own investment").

Furthermore, it would be misguided for the Commission to assume that if it delays providing support for broadband deployment to these areas, it will ultimately pay less in CAF Phase II. First, it would be foolhardy to anticipate that locations addressed by proposed second-mile fiber funding will otherwise be addressed by private sector investment in the near term. There is no dispute that fiber costs are significant.[30] Given the operation of the proposed mechanism, fiber costs addressed here only would be in areas where no broadband provider has been able to make an economic case for second-mile fiber deployment, and the CAF Phase I recipient, in particular, has certified that the unserved locations that remain have substantial per-location initial deployment costs, likely at or above approximately $1,300.[31] Such costs must be addressed to enable robust wireline or wireless service. Second, Windstream and other price cap carriers are best able to deploy rural broadband service efficiently in the near term. Indeed, the Commission itself recognized that incumbent local exchange carriers ("LECs") are "in a unique position to deploy broadband networks rapidly and efficiently" in their service areas when it established in the *Comprehensive Reform Order* an opportunity for incumbent LECs to assume state-level broadband commitments in CAF Phase II.[32] Third, Windstream's proposal sets forth a funding level that effectively would require a CAF Phase I recipient to invest a significant amount of its own money to offset a portion of the costs in these near-term, high-cost area projects, an amount in excess of the already significant private sector commitment required in the stimulus Broadband Initiatives Program. Essentially, the only way the Commission stands to "save" money with delay would be if it ultimately declines to offer sufficient funding for these high-cost (but not extremely high-cost) areas—which would be contrary to the objectives clearly stated by the Administration.

There also is no reason to believe that implementing this CAF Phase I proposal would motivate recipients to decline CAF Phase II support. If the funding levels established by the new model are sufficient, Windstream will accept the state-wide commitment. Windstream wants to be able to offer quality service to its rural consumers. The costs of operating and maintaining existing voice networks in high-cost areas are significant, and will not be addressed by a one-time infusion of funding for broadband deployment and augmentation costs in a subset of the network. As existing high-cost support is phased out, Windstream will continue to need CAF support to meet its carrier-of-last-resort obligations in high-cost areas, as well as to upgrade facilities to address unserved and underserved consumers who have significantly higher per-location costs and will not be able to be addressed with the limited CAF Phase I funds. Indeed,

[30] *See* Letter from Daniel Mitchell, National Telecommunications Cooperative Association, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 09-51, WC Docket Nos. 05-337 and 04-36, CC Docket Nos. 96-45 and 01-92 (Sep. 2, 2009) (NTCA Letter); Letter form Thomas Cohen, Kelley Drye & Warren LLP, Counsel for Fiber to the Home Council, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 09-51 (Oct. 14, 2009) (FTTH Council Letter); Letter from Jennie B. Chandra, Windstream Communications, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 09-47, 09-51, and 09-137 (Jan. 12, 2010) (Windstream January 12, 2010 letter).

[31] Windstream proposes that a carrier would be eligible for second-mile fiber funding only after it certifies that it has deployed to or already has plans to deploy to all eligible carrier serving areas where the estimated average cost per unserved location is less than the sum of (a) post-tax CAF Phase I support per location (approximately $500 per unserved location for Windstream) and (b) a matching company investment of $775 per unserved location.

[32] *Comprehensive Reform Order* at ¶ 177.

as Windstream invests more in high-cost areas, it will be *more* motivated to accept Phase II support to maintain and enhance its voice and broadband facilities in those places. A carrier is far less likely to walk away from an area where it has invested a substantial amount of its own money.

Finally, this CAF Phase I proposal—which is consistent with the Commission's goals, corrects problems identified in the Frontier/Windstream Petition for Reconsideration, and is supported by the record developed in the above-mentioned dockets—is straightforward and no more difficult to implement than CAF Phase I as established. There already is substantial evidence in the record establishing a basis for standardized funding for near-term fiber deployment;[33] Windstream merely proposes that these data be used to produce an objective metric for per-mile fiber costs, and that supplemental funding for second-mile fiber deployment be allocated on this basis.[34]

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In conclusion, there is no justification for permitting CAF Phase I funding, already set aside, to sit unclaimed while consumers in high-cost areas increasingly will lack access to robust broadband service. The Commission, instead, should implement Windstream's second-mile fiber proposal to enable all of this available funding to be used *now* to advance broadband deployment in rural areas.

Sincerely,

/s/ Michael D. Rhoda

Michael D. Rhoda
Senior Vice President
Government Affairs
Windstream

Attachment

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[33] *See* FTTH Council Letter; NTCA Letter; Windstream January 12, 2010 Letter.

[34] A "per-mile" focus in the context of CAF Phase I would be consistent with the approach adopted for Phase I of the Mobility Fund, which will use road miles as the basis for calculating the number of units in each eligible census block for purposes of comparing bids and measuring performance of support recipients. *See Comprehensive Reform Order* at ¶ 350.