



July 27, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th 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 and WT Docket No. 10-208**

Dear Ms. Dortch:

In recent days, price cap carriers have made their elections about whether and to what extent they are choosing to accept Connect America Fund Phase I support. On July 25, 2012, the Commission announced that carriers had accepted about \$115 million in support to provide broadband service to nearly 400,000 residences and small businesses.¹ Several entities, including AT&T, Verizon and Vitelco, declined to accept funding.²

The Wireless Internet Service Providers Association (“WISPA”) writes to address certain elections made by three of the Phase I recipients. As described below, the elections made by some price cap carriers suggest that only wireline technology can provide broadband service to rural areas. They raise unsupported claims about their purported inability to provide subsidized broadband service with Phase I funds. Apparently, these carriers are unwilling to consider other, more efficient technologies to satisfy Phase I requirements.

CenturyLink has indicated that it would accept \$35 million of its allotted Phase I funding but that “restrictions on the use of the CAF 1 funds made further deployment uneconomic.”³ In noting its pending petition for waiver of certain CAF Phase I requirements, CenturyLink added in its press release that “we will continue working with

¹ See News Release, “FCC Kicks-Off ‘Connect America Fund’ With Major Announcement: Nearly 400,000 Unserved Americans in Rural Communities in 37 States Will Gain Access to High-Speed Internet Within three Years,” rel. July 25, 2012.

² See *Communications Daily*, “Big Telcos Cite Prior Plans, ‘Uncertainty’ About Future Obligations, in Rejecting FCC Broadband Support, July 26, 2012.

³ See CenturyLink Press Release, available at <http://www.prnewswire.com/news-releases/centurylink-to-accept-fcc-connect-america-funds-163606786.html> (last visited July 25, 2012).

the FCC to find ways to efficiently and effectively use additional CAF 1 funds to provide broadband services to our rural customers.” As the Commission is aware, WISPA has strongly opposed CenturyLink’s waiver request because of the numerous factual misstatements and flawed assumptions on which it is based. Rather than “finding ways” to use additional CAF Phase I subsidies, CenturyLink appears more interested in playing games with the simple and uncomplicated rules designed to provide one-time, interim support..

Similarly, in its Phase I election notice, Windstream stated that it would accept only about \$1 million of its \$60 million CAF Phase I allotment unconditionally, and would only accept the remaining \$59 million if that support could be used to help build approximately 1,700 miles of fiber for “second mile” infrastructure to bring broadband service to 16,981 unserved locations.⁴ This equates to almost \$3,500 per location, far in excess of the \$775 per-location amount the Commission established and affirmed. According to Windstream, the \$775 per-location subsidy is “insufficient to make deployment economic in a truly high-cost area.”⁵ It argues that denial of the waiver would leave these areas “stranded without broadband access.”⁶ But like CenturyLink, Windstream fails to acknowledge that wireless Internet service providers (“WISPs”) have been serving these “truly high-cost areas” for over ten years, without any federal subsidies. WISPs will continue to expand into these unserved areas without relying on federal subsidies.

In contrast to the claims asserted by CenturyLink and Windstream, WISPA observes that economical ways already exist for Phase I-funded deployments: fixed wireless broadband technologies, like those used every day by *unsubsidized* WISPs. The Commission’s rules do not require CenturyLink or Windstream to provide wired service, so it is misleading for them to suggest that they cannot provide *subsidized* broadband service in an efficient and economic way. At least Frontier Communications has recognized that it can reach unserved areas by using a technology other than wireline. CenturyLink and Windstream could adopt a similar strategy by partnering with WISPs to offer service in rural, unserved and underserved areas.

In conclusion, carriers should not be permitted to game the system to use funds for subsidizing areas that are already served (as CenturyLink proposes) or to use CAF funds for purposes not intended by the CAF Phase I rules (as Windstream proposes). If the carriers do not want to accept Phase I subsidies on the terms established in Commission rules, they can continue to cede those areas to unsubsidized WISPs or explore technological solutions that are more efficient and economical to deploy and operate. Complaining that \$775 per location is not enough to support wireline deployment reflects a narrow view of available and evolving technology. In considering

⁴ See Windstream Election and Petition for Waiver, WC Docket Nos. 10-90 and 05-337, filed July 24, 2012 (“Windstream Waiver Petition”). The Wireline Competition Bureau has released a Public Notice inviting comment on this waiver request. See Public Notice, “Wireline Competition Bureau Seeks Comment on Windstream Communications Petition for Waiver of Certain High-Cost Universal Service Rules,” DA 12-1181, rel. July 25, 2012.

⁵ Windstream Waiver Petition at 2.

⁶ *Id.* at 6.

the elections made by carriers to seek waivers of the CAF Phase I funding rules, the Commission should not reward those that decline subsidies based on wireline economics when others are efficiently and economically providing broadband without any subsidies whatsoever.

Pursuant to Section 1.1206 of the Commission's Rules, this notice is being filed via ECFS in the above-referenced proceedings. Please direct any questions regarding this notice to the undersigned.

Respectfully submitted,

/s/ Elizabeth Bowles, President

/s/ Richard D. Harnish, Executive Director

cc: Julie Veach
Carol Matthey
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