



Federal Regulatory Affairs

2300 N St. NW, Suite 710 Washington DC 20037

April 12, 2013

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

In 2012 Frontier Communications (“Frontier”) continued its history of accepting the Commission’s challenge to bring broadband to rural America¹ by committing to deliver new service to approximately 92,000 locations through Phase I of the Connect America Fund (“CAF”). Frontier’s CAF Phase I commitment follows the transformational commitment it made as a company to deliver broadband² to 85% of its acquired properties by 2015, a commitment that Frontier is well on its way to meeting despite the fact that only 62% of the acquired territories had any form of high speed access, let alone access that would qualify as broadband under the Commission’s definition.³ Frontier has already made significant strides in providing broadband to its low-density rural territories, areas that often were left unserved by any cable competitor.

Given Frontier’s considerable experience in bringing broadband to unserved rural America, Frontier disputes the National Cable & Telecommunications Association’s (“NCTA”) recent claims that CAF Phase I funding would not provide broadband to unserved Americans.

¹ See, e.g., *in re: Connect America Fund, et al.*, WC Dkt. No. 10-90, FCC 11-161, 26 FCC Rcd 17663, ¶ 4 (2011) (“The universal service challenge of our time is to ensure that all Americans are served by networks that support high-speed Internet access.”).

² Frontier defines the term “broadband” in accordance with the Commission’s current definition as “services that offer actual download (i.e., to the customer) speeds of at least 4 Mbps and actual upload (i.e., from the customer) speeds of at least 1 Mbps.” *Inquiry Concerning the Deployment of 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*, Eighth Broadband Progress Report, GN Dkt. No. 11-121, FCC 12-90, 27 FCC Rcd 10276, ¶¶18-19 (2012) (“Eighth Broadband Report”).

³ *In re: Applications Filed by Frontier Communications Corp. and Verizon Communications Inc. for Assignment or Transfer of Control*, WC Dkt. No. 09-95, FCC 10-87, 25 FCC Rcd. 5972, at ¶ 2. As of December 31, 2012, Frontier offers service of at least 4 Mbps download/1 Mbps upload speeds to 78% of the acquired territories. Frontier Communications Corp., Annual Report (Form 10-K) at 9.

NCTA states that under the price cap LEC proposal, “price cap LECs would receive roughly \$1.5 billion in support but would have no obligation to extend broadband service to any of the 19 million Americans that do not currently have broadband.”⁴ NCTA’s claim relies on a twisted representation of the number of unserved Americans for any semblance of validity. NCTA’s claim also undercuts the broadband promise for “roughly one million unserved Americans” that another round of CAF Phase I could benefit.⁵

Frontier supports Windstream’s analysis that details how NCTA “fixated on a ‘19 million’ unserved number . . . that actually significantly understates the number of Americans currently unserved by broadband meeting the Commission’s standards.”⁶ This is true because the cited figure does not include those represented as receiving service at speeds of 3Mbps download/768kbps upload (“3/768”) but that have less than 4 Mbps download/1 Mbps upload (“4/1”). The sole reason that those locations are not included in the Commission’s number of unserved Americans is due to the difficulties aligning the Commission’s broadband standard with the National Broadband Map’s information collection.⁷ Simply put, the Commission’s minimum threshold for what qualifies as broadband is 4/1. Any service not delivering at least 4/1, including 3/768, would be included in the Commission’s definition of unserved if there were an accurate way to quantify those locations. Just because the Commission *could not* quantify those users at 3/768 as unserved does not mean they *would not* have done so.

Windstream also correctly states that, “the simple fact is that many locations with 3/768 service are unserved by the FCC’s standard and cannot receive 4/1 service without costly network modifications—the same modifications that are required to bring 4/1 service to locations that currently have service at 1.5 Mbps or lower on the National Broadband Map.”⁸ Frontier has repeatedly stated that the costs to provide new 4/1 broadband service are substantially similar regardless of whether the area had any lower version of high speed Internet access available previously—be that below 768/200 kbps or at 3/768 speeds.⁹ Providing new speeds of 4/1 or

⁴ Letter from Steven F. Morris, NCTA, to Marlene H. Dortch, FCC, *in re*: Connect America Fund, WC Dkt. No. 10-90, 1 (filed Apr. 5, 2013) (“NCTA Ex Parte”).

⁵ *See id.* citing Comments of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, and the ABC Coalition, WC Dkt. No.10-90 (filed Jan. 28, 2013) at 11-12.

⁶ Letter from Malena F. Barzilai, Windstream Corp., to Marlene H. Dortch, FCC, *in re*: Connect America Fund, WC Dkt. No. 10-90, 1 (filed Apr. 8, 2013) (“Windstream Ex Parte”).

⁷ *See* Wireline Competition Bureau Seeks Further Notice on Issues Regarding Serving Obligations For Connect America Phase II and Determining Who Is an Unsubsidized Competitor, *Public Notice*, WC Dkt. No. 10-90, DA 13-284, at n. 15 (rel. Feb. 26, 2013) (“The Commission has previously concluded that because data on 4 Mbps/1 Mbps broadband is not widely available, SBI and FCC Form 477 data regarding availability of 3 Mbps/768 kbps may be used as a proxy for 4 Mbps/1 Mbps.”).

⁸ Windstream Ex Parte at 3.

⁹ *See* Letter from Michael D. Saperstein, Jr., Frontier Communications, to Marlene H. Dortch, FCC, WC Dkt. No. 10-90 (filed Mar. 20, 2013); Letter from Michael D. Saperstein, Jr., Frontier Communications,

greater requires costly fiber deployment and equipment replacement regardless of the previous speed capability.

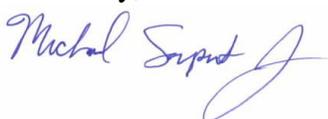
NCTA also makes a “too cute by half” argument when it states, “0: Number of Americans living in areas where the FCC has found that terrestrial broadband is not available that price cap LECs have *committed to serve* with new CAF Phase I funding and legacy high cost support.”¹⁰ The accuracy of NCTA’s statement relies on the fact that price cap carriers have not yet been presented with a circumstance that would warrant a commitment. The Commission has not yet announced its full intent to commence another round of CAF Phase I, let alone the obligations associated with such funding. It is only logical that price cap carriers would wait to formally “commit” to any program until the Commission defines the exact parameters. Frontier, through its acceptance of CAF Phase I funding in 2012 has shown itself as a willing partner committed to providing broadband to unserved areas of rural America.

Further eviscerating NCTA’s statement, Frontier has provided the Commission its estimates of the number of locations it could serve for a defined amount of funding where all locations currently have under 3/768 speed access, and thus would fall into the 19 million of NCTA’s sole focus.¹¹ While it is undoubtedly in rural America’s best interests to make *all unserved* (i.e., lacking 4/1 access) areas eligible for CAF Phase I funding, Frontier has never represented that all funding that it may accept would be targeted to those areas that currently have speed offerings of 3/768 or higher. Therefore, NCTA’s entire premise is incorrect.

Accordingly, Frontier urges the Commission to ignore NCTA’s arguments that rely on clever verbiage to obscure the great potential that CAF Phase I has to bring broadband to all unserved Americans.

Please feel free to contact me with any further questions

Sincerely,



Michael D. Saperstein, Jr.
Vice President, Federal Regulatory Affairs
Frontier Communications
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to Marlene H. Dortch, FCC, WC Dkt. Nos. 05-337, 10-90 (filed Apr. 9, 2013) (“Frontier April 9 Ex Parte”).

¹⁰ NCTA Ex Parte at Attachment A (emphasis added).

¹¹ Frontier April 9 Ex Parte at 1-2.