

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Technology Transitions	)	GN Docket No. 13-5
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	

**COMMENTS OF COMPETITIVE CARRIERS ASSOCIATION**

Competitive Carriers Association (“CCA”) submits these comments in response to the *Further Notice of Proposed Rulemaking* (“Further Notice”)<sup>1</sup> in the above-captioned proceeding, in which the Federal Communications Commission (“FCC” or the “Commission”) seeks comment on a number of issues relating to rural broadband experiments adopted in the *Technology Transitions Order*.<sup>2</sup> CCA urges the Commission to ensure that mobile wireless services are adequately represented in these experiments, and to take further steps to encourage overall participation to a wide range of rural areas.

**INTRODUCTION**

CCA applauds the Commission for preparing to provide funding for experiments to extend modern networks in rural, high-cost areas. CCA represents the interests of more than 100

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<sup>1</sup> *Further Notice of Proposed Rulemaking* (WC Docket No. 10-90), FCC 14-5, ¶¶ 202- 230 (rel. Jan 31, 2014) (“FNPRM”).

<sup>2</sup> *In the Matter of Technology Transitions; AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition; Connect America Fund; Structure and Practices of the Video Relay Service Program; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Numbering Policies for Modern Communications*, GN Docket Nos. 13-5, 12-353, WC Docket No. 10-90, CG Docket Nos. 10-51, 03-123, WC Docket No. 13-97; Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiative (rel. Jan. 31, 2014) (collectively, “*Technology Transitions Order*”).

competitive wireless carriers, many of which serve rural America. As many of CCA’s members can attest, unique challenges exist in rural areas for the deployment of next generation communications services. With the right funding and ground rules, however, these experiments have the potential to assist rural and regional carriers in overcoming challenges related to rural broadband deployment and to ensure that “rural Americans are not left behind”<sup>3</sup> during network transitions.

First, the Commission should maximize the amount of support made available, to, in turn, maximize participation and ensure selected applicants can reach realistic buildout goals. Second, as many unserved or underserved areas as possible should be eligible for these experiments to help ensure that all rural Americans—no matter where they reside—are accounted for during network transitions. Third, the Commission should include experiments from a variety of technologies, including mobile technology, to fully inform the Commission’s decision-making based on the data collected from the experiments. At a minimum, mobile carriers should be allowed equal access to participation in these rural experiments, as mobile broadband is one often the best and only option for many low-income and rural Americans to connect to the Internet. Finally, CCA strongly suggests that any criteria adopted by the Commission to assist in the selection and evaluation of experiments should emphasize achieving the primary goal of broadband availability.

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<sup>3</sup> *Technology Transitions Order* at ¶ 87.

## DISCUSSION

### I. THE COMMISSION SHOULD ENCOURAGE BROAD EXPERIMENT PARTICIPATION TO INCREASE ITS KNOWLEDGE OF THE MANY CHALLENGES FACED BY RURAL PROVIDERS IN DEPLOYING NETWORKS TO HIGH-COST AREAS

#### a. The Commission Should Maximize The Amount Of Support Provided For Rural Broadband Experiments

CCA applauds the Commission for offering to provide experimental support to extend modern networks in rural, high-cost areas.<sup>4</sup> If properly administered, these experiments should assist the Commission in learning more about the current need for efficiently-used high-cost funding. Indeed, as the Commission has recognized, rural areas pose unique challenges that make the “economics of building out broadband-capable infrastructure in rural areas more challenging” than in non-rural areas.<sup>5</sup> CCA therefore supports the maximum allocation of funds available to ensure that rural areas obtain the support that is needed to buildout broadband networks. Simply stated, more funding will allow for more participation, and without an adequate budget the Commission risks losing an opportunity to evaluate a broad range of deployment scenarios. CCA also recommends that the Commission award the funding in a mix of one-time and recurring payments.<sup>6</sup> Rigidly adhering to one model or another precludes the Commission from learning from the various ways operators utilize high-cost funding. Lastly, CCA encourages the Commission to promptly clarify its budget and funding determinations and publicly announce the budget for these experiments. Announcing the budget for these

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<sup>4</sup> See *FNPRM* at ¶ 204.

<sup>5</sup> *Technology Transitions Order* at ¶ 88.

<sup>6</sup> Utilizing both forms of distribution will help ensure that participants have proper funds to build and maintain networks. See e.g., *In the Matter of Connect America Fund, et al.*, WC Docket No. 10-90 et al., 26 FCC Rcd 17663, 17772-73 ¶¶ 298-99 (2011) (“*USF/ICC Transformation Order*”) (establishing that the Mobility Fund will provide one-time support along with ongoing support in two phases to help ensure “ubiquitous availability of mobile services”).

experiments as early as possible will better allow providers to meaningfully prepare for and participate in these experiments.

**b. The Commission Should Deem Eligible As Many Areas As Possible For Experiments To Ensure That No One Is Left Behind As Networks Transition**

To help keep rural Americans from being left behind as networks transition, the scope of eligible areas for the rural broadband experiments should be as broad as possible. Thus, CCA strongly supports the Commission’s decision to entertain broad-based proposals.

CCA also applauds the Commission’s decision to allow these proposals “to be made at the census block level in lieu of the census tract level in recognition that smaller providers may wish to develop proposals for smaller geographic areas.”<sup>7</sup> Permitting proposals to be made at the census block level will allow both large and competitive carriers to meaningfully participate in these experiments and ultimately will provide the Commission with experiments representative of various interests within the industry. To further encourage such participation, CCA also supports allowing applicants to propose projects in partially-served census blocks.<sup>8</sup> Because rural areas are (by definition) geographically dispersed, with lower population density,<sup>9</sup> including partially-served census blocks in the experiments will ensure that the consumers located in these areas are not excluded from receiving the benefits of service provided through these trials.

Furthermore, to ensure that the Commission receives experiment proposals from a representative pool of carriers that serve all types of rural areas, CCA also recommends that the Commission generally apply the same application process and procedures for all carriers,

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<sup>7</sup> *FNPRM* at ¶ 209.

<sup>8</sup> *FNPRM* at ¶ 221.

<sup>9</sup> *Technology Transitions Order* at ¶ 88.

regardless of the type of carrier.<sup>10</sup> Specifically, CCA underscores that incumbent providers should not receive a preference for funding with regard to experiments in their incumbent areas. As a part of former Chairman Genachowski’s “reform” of the high cost Universal Service Funding, incumbents received a right of first refusal for \$300 million to deploy broadband in hard to reach areas. Of that amount, the incumbents accepted only \$115 million, less than 40 percent of the money available. These incumbents should not be given yet another bite at the apple, especially when they’ve rejected support in the recent past. Each type of carrier will offer its own, unique perspective on the issues that rural areas will face during network transitions, and there is no reason that one type of provider over another should be at a disadvantage to participate. Indeed, providing certain incumbents with a first-mover advantage conflicts with the goals of these experiments.

**c. The Commission Should Refrain From Conditioning Participation On The Assumption of Additional Obligations**

The Commission should also refrain from adopting additional rules or requirements as conditions to participate in the experiments.<sup>11</sup> The Commission’s focus should be on incentivizing participation in these experiments, not hindering it through burdensome conditions that would limit participation. For instance, CCA cautions the Commission against conflating high-cost deployment with commitments to offer discounted services to low-income consumers.<sup>12</sup> Imposing this condition at a time when potential applicants are unsure of the allocated budget or the funds that will be required if selected will likely curtail participation. Furthermore, if service becomes too expensive to provide in these areas due to decreased

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<sup>10</sup> *FNPRM* at ¶ 207.

<sup>11</sup> *FNPRM* at ¶ 222.

<sup>12</sup> *See FNPRM* at ¶ 222.

revenues as a result of this proposed requirement, the experiments will undoubtedly fail.

Imposing such conditions on participation will foster uncertainty, decrease the applicant pool, and discourage potential applicants – especially those applicants that may have limited resources and funding.

## **II. IT IS CRITICAL THAT MOBILE WIRELESS SERVICES ARE ADEQUATELY REPRESENTED IN THE SELECTED EXPERIMENTS**

Participation from a wide variety of providers over various typographies is paramount to the success of the rural broadband experiments. The Commission should consider the various benefits different technologies used to buildout rural America can offer, and well as how services may provide additional flexibility to consumers.<sup>13</sup> The Commission can take this opportunity to realign its universal service principles with marketplace realities and consumer choice by allowing for, and encouraging, mobile providers to be an integral part of these rural broadband experiments. Including mobile service providers in these rural broadband experiments will provide another option to assist the Commission in its efforts to “preserve[] universal access to communications during these historic technology transitions.”<sup>14</sup>

As the Commission recognizes, many rural areas are “home to a disproportionate number of low-income Americans.”<sup>15</sup> Studies have consistently shown mobile services and devices are generally the “primary gateway to online life” for many of these lower-income adults.<sup>16</sup> Such an important service for this demographic should be encouraged—not ignored—in these experiments, as mobile technology will continue to be critical to this transition. In addition, the

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<sup>13</sup> Indeed, some of the unallocated funds at issue here have already been offered to incumbent wireline providers for broadband deployment – and were not accepted.

<sup>14</sup> *Technology Transitions Order* at ¶ 86.

<sup>15</sup> *Technology Transitions Order* at ¶ 88.

<sup>16</sup> Pew Institute, *Technology Adoption by Lower Income Populations* (Sept. 26, 2013) <http://www.pewinternet.org/2013/10/08/technology-adoption-by-lower-income-populations/>.

increasing number of mobile subscribers in rural and high cost areas is a result of consumer recognition of the significant benefits that wireless services produce, including increased flexibility and mobility. Because of this flexibility, wireless consumers have the ability to obtain the exact services they want, when they want them, where they want them.

As the Commission seeks to determine “under what conditions . . . consumers prefer next generation wireless services over wireline alternatives,”<sup>17</sup> mobile wireless services must be prioritized. Indeed, AT&T (in its IP-experiment proposal) recently acknowledged that certain areas in its own technology experiments will only be served by wireless technology, further demonstrating the integral role that mobile will play during the transition to IP.<sup>18</sup> Failing to include mobile broadband in these experiments will only hinder the Commission’s achievement of its stated goals.

### **III. SELECTIVE CRITERIA FOR EVALUATING EXPERIMENTS SHOULD EMPHASIZE ACTUAL BROADBAND DEPLOYMENT**

In addition to efforts aimed at encouraging a broad range of meaningful experiments, the Commission must also take steps to ensure that the experiments selected will actually result in the end goal: rural network buildout. Therefore, the Commission must adopt criteria that will bring proposals to the forefront that result in buildout of robust, scalable networks.

CCA agrees with the Commission that cost-effectiveness should be the primary criteria for evaluating which applications should be selected for the experiments.<sup>19</sup> Indeed, building out to these rural areas is so challenging because these are considered some of “the country’s most

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<sup>17</sup> *Technology Transitions Order* at ¶ 90.

<sup>18</sup> AT&T Proposal for Wire Center Trials, GN Docket Nos. 13-5, 12-353 (filed Feb. 27, 2014).

<sup>19</sup> *FNPRM* at ¶ 213.

difficult and expensive areas.”<sup>20</sup> The Commission’s evaluation should utilize a scale- or formula-based approach, but should also maintain the “flexibility to deviate from the scoring system in order to achieve diversity of projects, both in terms of geography and types of technologies.”<sup>21</sup>

The Commission also proposes considering service speeds when evaluating experiment submissions, but notes that this should not be a determinative factor.<sup>22</sup> CCA emphasizes that any speed benchmark should only be considered as a secondary factor. Adopting a “one-size-fits-all” threshold will not ensure that the unique needs of rural Americans are met, and, in fact, may cause the Commission to miss important broadband deployment opportunities. Mobile services, in particular, generally show wide variability in speeds, depending on “the version of the technology deployed, the configuration of the network, the amount of spectrum used, and the type of backhaul connection to the cell site,” and as such may face difficulty meeting certain speed thresholds.<sup>23</sup> By instituting an overly-ambitious speed threshold, many deserving mobile proposals may be filtered out even before the Commission has had a chance to fully review these options. Furthermore, speed is only one attribute of a network; it does not take into account mobility or the flexibility of a network, or what it takes to deploy such a network. The goal at

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<sup>20</sup> *Technology Transitions Order* at ¶ 131 (citations omitted).

<sup>21</sup> *FNPRM* at ¶ 217. For example, if a provider has previously demonstrated a unique ability to buildout and extend networks, the Commission should take this experience into account when making determinations.

<sup>22</sup> *FNPRM* at ¶ 214.

<sup>23</sup> *In the Matter of 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*, GN Docket No. 11-121, Eighth Broadband Progress Report, 27 FCC Rcd 10342, 10367 ¶ 40 (2012).

the end of this process should be network deployment, and funding for these rural broadband experiments should be allocated accordingly.

### **CONCLUSION**

CCA supports the Commission's desire to extend modern networks to rural high-cost areas. But CCA emphasizes that the Commission must take certain steps to help ensure that the selected experiments will account for the unique challenges that rural areas face. These steps include maximizing participation from a wide range of applicants, and in particular, ensuring that mobile wireless services are adequately represented in these experiments. In evaluating the proposed experiments, CCA cautions the Commission against losing sight of the end goal: rural broadband deployment. Any adopted evaluation criteria, such as cost-effectiveness, should be in furtherance of the Commission's achievement of this goal.

Respectfully submitted,

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