

December 23, 2019

VIA ECFS

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

RE: *Rural Digital Opportunity Fund, WC Docket No. 19-126; Connect America Fund, WC Docket No. 10-90*

Dear Ms. Dortch:

On Thursday, December 19, 2019, Ross Lieberman of ACA Connects—America’s Communications Association (“ACA”), Tom Cohen of Kelley Drye on behalf of the Fiber Broadband Association (“FBA”), Brian O’Hara of the National Rural Electric Cooperatives Association (“NRECA”), and the undersigned on behalf of NTCA—The Rural Broadband Association (“NTCA”), met with Preston Wise, rural broadband advisor to Chairman Ajit Pai, to discuss matters in the above-referenced proceeding.¹

Although each of the parties in the meeting has proposed slightly different weighting and tiering structures for the Rural Digital Opportunity Fund (“RDOF”) auction, we share an interest in maximizing participation in the upcoming auction from bidders across all tiers of service as well as an effective use of the available budget to advance the mission of universal service. This would ensure that the Commission is “buying the best possible broadband” for the universal service dollars available. Consistent with each party’s prior advocacy,² we explained these objectives would be best achieved by increasing the “spread” of weights between tiers proposed in the NPRM.³

¹ *Rural Digital Opportunity Fund, WC Docket No. 19-126, Connect America Fund, WC Docket No. 10-90, Notice of Proposed Rulemaking, 34 FCC Red 6778 (rel. Aug. 2, 2019) (“NPRM”).*

² *See, e.g.,* Comments of ACA, WC Docket No. 19-126 (filed Sept. 20, 2019), at 3-8; Comments of FBA, WC Docket No. 19-126 (filed Sept. 20, 2019), at 3-12; Comments of NRECA, WC Docket No. 19-126 (filed Sept. 20, 2019), at 6-8; Comments of NTCA, WC Docket No. 19-126 (filed Sept. 20, 2019), at 2-15.

³ *NPRM*, para. 25..

Our proposal is supported by an analysis previously submitted by ACA⁴ demonstrating how targeted adjustments to weighting structures would create an auction environment in which technologies of all kinds have a meaningful opportunity to prevail – and still fit within, if not come under, any budget set for the auction while delivering higher quality broadband services to as many consumers as possible. By contrast, failure to make such narrow adjustments could deter certain providers from participating and result in far less effective use of the available budget.

We also discussed the importance of fulfilling the statutory mandate for reasonable comparability of services. As the Commission’s Measuring Broadband America report has found, the median download speed among the largest Internet Service Providers was 72 Mbps – as of September 2017.⁵ It would thus seem discordant to include in the RDOF auction as a *2030 speed target* not just one tier (25/3), but two speed tiers (25/3 and 50/5), below the average speed that was delivered by major providers *more than two years ago*. Such an approach risks looking as “antiquated” in the future as the “five-year old” 10/1 Connect America Fund targets appear today. Moreover, as FBA recently shared with the Commission, there has been a 16% growth rate in fiber-to-the-premises deployment in just the past year, with 46.5 million U.S. homes now having access to all-fiber networks.⁶ To ensure that the mandate for reasonable comparability is fulfilled, we asserted that such data must be factored into any consideration of weighting and tiering structures for the RDOF auction.

Finally, we discussed the essential interplay between the RDOF auction and the Commission’s 5G objectives. Indeed, when first announcing the RDOF, Chairman Pai remarked, “This money will extend high-speed broadband to up to four million homes and small businesses in rural America. These next-generation networks will bring greater economic opportunity to America’s Heartland and will help support future 5G technologies.”⁷ The 5G future will not be realized, however, without substantial investments in the kind of fiber facilities needed to enable the speed and handle

⁴ See, e.g., Letter from Thomas Cohen and J. Bradford Currier, Counsel to ACA Connects – America’s Communications Association, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 19-126, at pp. 4-5 and Appendix (June 14, 2019) (“ACA Connects’ analysis modeled the cost to serve for technologies that could serve each performance tier and then applied the weighting methodology proposals offered by the Commission and the stakeholders to each technology in each eligible census block to determine the weighted cost-effectiveness ratio for all potential bids, assuming participants bid at their modeled cost to serve. ACA Connects then analyzed the distribution of all cost-based bids across all geographies and evaluated for each methodology where each technology fell across the range of cost-based bids. ACA Connects’ approach enabled it to forecast which technologies bidders would use under each methodology and, among those technologies that bidders use, which were best positioned to win. By using this analysis, ACA Connects determined that the Commission’s proposed weights, which it amended to a minor degree in the final rules, would favor fixed wireless, satellite “25/3,” and DSL “25/3,” but would dissuade bidding for the Minimum and Gigabit tiers. That is, the Commission’s methodology was not technology-neutral. The results from the Phase II auction show that ACA Connects’ analysis turned out to be reasonably accurate.”)

⁵ *Eighth Measuring Broadband America Fixed Broadband Report* (available at: <https://www.fcc.gov/reports-research/reports/measuring-broadband-america/measuring-fixed-broadband-eighth-report>).

⁶ *Ex Parte* Letter from Lisa Youngers, President and CEO, FBA, to Marlene H. Dortch, Secretary, Commission, WC Dockets No. 17-84, 19-126, and 10-90 (filed Dec. 11, 2019).

⁷ Remarks of Chairman Ajit Pai at the White House (April 12, 2019) (available at: <https://docs.fcc.gov/public/attachments/DOC-356994A1.pdf>).

Marlene H. Dortch
December 23, 2019
Page 3 of 3

the data demands anticipated for 5G services. We therefore submitted that the Commission should view the weights and tiers in the RDOF auction through a prism not only of reasonable comparability, but how they can be leveraged to empower a 5G future in rural areas that today lack 4G or even 3G services.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano
Senior Vice President –
Industry Affairs & Business Development
NTCA–The Rural Broadband Association
4121 Wilson Blvd, Suite 1000
Arlington, VA 22203
(703) 351-2016

cc: Preston Wise