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December 19, 2019

**Via Electronic Submission**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: WC Docket 19-126, Rural Digital Opportunity Fund

Dear Ms. Dortch:

On December 17, 2019, Brian O'Hara of the National Rural Electric Cooperative Association (NRECA) and the undersigned met with staff of the Wireline Competition Bureau, Office of Economics and Analytics, and the Rural Broadband Auctions Task Force. Among its positions and discussion points, NRECA recommended the Commission establish performance tiers and bidding rules to ensure that qualified bidders proposing the lowest weight, highest performance (and lowest latency) tier obtain funding to deploy and operate scalable, fiber-based networks capable of meeting the broadband service requirements within their authorized service areas for the full 10-year support term and beyond. This and other points made in the presentation are summarized in the attachment.

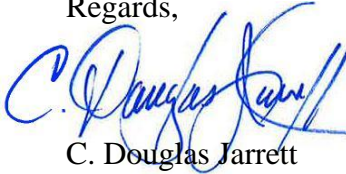
We spoke with Ryan Palmer, Alex Minard, Katie King, Heide Lankau, Lauren Garry, and Ian Forbes of the Wireline Competition Bureau; Nathan Eagan, Kirk Burgee, and Jonathan McCormack of the Broadband Rural Area Task Force; and Catherine Matraves (via telephone) of the Office of Economics and Analytics. The attached outline summarizes the points made in NRECA's presentation.

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Should you or others at the Commission have any questions regarding the ex parte meeting or the substance of NRECA's presentation, please contact the undersigned, preferably by telephone.

Regards,



C. Douglas Jarrett

### Attachment

cc: Ryan Palmer  
Alex Minard  
Katie King  
Heide Lankau  
Lauren Garry  
Ian Forbes  
Nathan Eagan  
Kirk Burgee  
Jonathan McCormack  
Catherine Matraves

cc: Brian O'Hara

**NRECA Talking Points for December 17, 2019 Ex Parte Meeting with BRATF**

1. NRECA Opposes Century Link's "condition" for electric cooperatives to participate in Phase 1 auction
  - a. Beyond the scope of this proceeding; topic for WC Docket No. 17-84
  - b. Recent state legislation removing legal barriers for cooperatives to offer fixed broadband services undercuts the premise and merits of this "condition"<sup>1</sup>
  
2. Assign winning bids based on lowest weight T&L combinations
  - a. Maximizes likelihood that more scalable fiber-based networks are funded and deployed
    - I. Maximizes meaningful participation by RDOF winning bidders in E-rate, Rural Healthcare and Lifeline programs in rural communities
    - II. Provides backhaul and fronthaul infrastructure for rural wireless, including 5G deployments
  - b. Terrestrial wireless (25/3 Mbps) and Geostationary satellite (25/3 Mbps, high latency) fail the "reasonably comparable" standard of §253(b)(3)
    - I. Already obsolete
  
3. Update Performance Tiers (low latency)
  - a. 100/20 Mbps becomes new baseline
  - b. Higher speed synchronous option (min. 100/100 Mbps) as intermediate tier
  - c. NPRM's proposed Gigabit Tier remains the lowest "0" T & L combination
  - d. Defer Geostationary and LEO satellite participation to Phase 2 or in subsequent rounds
  
4. Eligible Areas
  - a. Should include at a Minimum
    - i. CBs in which price cap ILECs obtain Model Support, but 25/3 Mbps is not offered by any terrestrial provider currently being delivered
    - ii. Unserved locations in CBs in which price cap ILECs obtain Model Support and are the only service provider offering 25/3 Mbps terrestrial
  - b. Include a robust challenge process that will be complemented by thorough ELAP process

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<sup>1</sup> See Letter from Brian O'Hara to Marlene Dortch, Secretary, FCC, WC Docket No. 10-126, (filed Dec. 5, 2019).

5. Retain Census Block Groups as Minimum Bidding Areas
  - a. Cooperatives look first to the entirety of the communities that they serve
    - i. These service areas typically extend beyond a single Census Block
  - b. Shifting to Census Blocks will encourage “cherry picking” of most desirable rural locations
  
6. More thorough vetting of technical and financial showings in short-form applications to minimize likelihood of winning bidder defaults
  - a. Bankrupt entities or their successors that emerge several years before Phase I auction should be ineligible to participate
  
7. Minimize cost impact of Letter of Credit
  - a. Consider allowing option for performance bond
  - b. Cap LOC amount through new annual certifications or cap at 3-year level and maintain thru buildout so long as each milestone is achieved
  - c. Other approaches may be viable
  - d. Enhanced showings for short-form application mitigate risks of default and support a “lighter touch” to LOC