December 4, 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

Dear Ms. Dortch:

On Tuesday, December 3, 2019, 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.

Reasonable Comparability. One of the core tenets of universal service as articulated by Congress is to ensure that services in rural and urban areas are reasonably comparable in quality and price. 47 U.S.C. § 254(b)(3). In the context of planning for the Rural Digital Opportunity Fund ("RDOF") auction, this should mean that services delivered in high-cost areas leveraging RDOF funds will be reasonably comparable to those in urban areas both now and over at least the term of support distribution, if not over the longer life of the supported network assets.

NTCA expressed concern, however, that the current weighting proposals for the RDOF will fall short of achieving reasonable comparability – immediately in some cases and over the longer term in other respects. NTCA therefore urged the Federal Communications Commission (the "Commission") to take stock of current marketplace data and reasonably foreseeable trends in broadband networking and usage in establishing tiers and corresponding weights for the RDOF auction. For example, NTCA highlighted that a "baseline" level of 25/3 Mbps with usage limits of 150 GB per month as proposed was already surpassed in today's marketplace. *See* Comments of NTCA, WC Docket No. 19-126 (filed Sept. 20, 2019), at 4-5 (citations omitted) (noting usage limits already averaged nearly 275 GB several months ago and that nearly half of all subscribers are already provisioned for 100 Mbps). Although there is an understandable desire to ensure every customer receives at least something in terms of broadband access, NTCA observed that including lower-speed, higher-latency services in the auction might perversely lead to *more* customers obtaining *lesser* services due to the effects on bidding; NTCA posits that a better way of addressing any such concerns would be to aim higher and promote the deployment of the most capable services possible in the initial rounds of the RDOF auction and *then* to turn to a "Remote Areas" program to address those areas still remaining unserved thereafter.

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With this as backdrop, NTCA walked through its proposals to ensure that the auction will promote achievement of the objective of reasonable comparability both now and a decade into the future when the RDOF support term expires. First, as a matter of "technological neutrality," NTCA noted that its RDOF weighting proposals maintain the same basic "spread" between tiers as that in the Connect America Fund Phase II auction. *See id*. at 7-13.

Tier	CAF Phase II Auction	NTCA RDOF Proposal	Difference
Minimum	65 (10/1)	75 (25/3)	+10
Baseline	45 (25/3)	60 (100/20)	+15
Above Baseline	15 (100/20)	30 (500/100)	+15
Gigabit	0 (1000/500)	15 (1000/500)	+15

Second, NTCA urged the Commission to recognize the substantial benefits conferred by services providing symmetrical upload and download speeds through the adoption of a 15 point "Symmetrical Bonus." Although this may be more relevant at higher speed tiers, NTCA explained that, in the interest again of "technological neutrality" and maintaining consistent "spreads" across tiers, it would make sense to offer the opportunity for such a bonus at each tier. However structured, as indicated in NTCA's comments (*see id*. at 14-16), it is clear that users of all kinds are already finding increased relevance in upload capacity of broadband services – and on the eve of the kick-off of the Commission's "Precision Ag Task Force," it would seem discordant to neglect the significance of symmetrical speeds for applications with heavier upload demands like precision agriculture, distance learning, and telemedicine. A Symmetrical Bonus should therefore be of the highest priority in defining network performance expectations for providers receiving RDOF support.

Third, NTCA discussed the need for more forward-looking usage limitations than those proposed to date. Certainly, a 150 GB usage limit appears astonishingly low in the face of current usage levels that average nearly 275 GB per month as noted above. Even at higher tiers, however, a 2 TB usage limit will almost certainly seem confining by the end of the RDOF support term in the face of marketplace data indicating that usage limits have been increasing at a pace of greater than 20% per year. NTCA therefore continues to urge the adoption of usage limits that will enable better use of broadband services a decade from now, starting at 3 TB for the lowest capacity tier and increasing to 5 TB for higher speed services. *Id*. at 7, 9-10.

Accountability. NTCA next discussed what steps the Commission should take to ensure greater accountability in the use of RDOF distributions, observing that failures in the auction would represent losses "twice over" – once in the form of auction funds that could have gone to deploying better broadband, and then again in the form of consumers whose expectations for broadband access anytime soon would now be dashed. Finding out only years after the auction that a RDOF recipient never had the capability to meet deployment obligations would represent time and money wasted. Although NTCA appreciates the interest in promoting participation by as many bidders as possible, the fact remains that the RDOF is an auction rather than a lottery, meaning that bidders should be required to establish their capability to perform before even being qualified to bid. To this end, NTCA suggested two ways in which the Commission should enhance accountability in the RDOF auction.

First, the Commission should require more detailed propagation maps and plans indicating network coverage capabilities in the short-form application, and these filings should meet baseline technical standards and well-defined engineering assumptions with respect to claimed coverage in the area purported to be served (such as those now being developed in the context of the Commission's data collection proceedings). Although some have oddly contended this proposal is slanted against particular technologies, NTCA's proposal is to the contrary "technology neutral" – this requirement should apply with equal force to all bidders, whether wireline or wireless and regardless of particular technology or spectrum band. To be clear, these filings must strike a balance recognizing that plans may change as the auction evolves and more detailed site inspections are conducted prior to actual deployment, but a reasonably detailed set of plans submitted upfront would at least allow the Commission to vet better whether a provider truly recognizes the challenges of serving a given area and has a fundamental sense of how to architect a network to serve that area at the pledged levels of performance.

Second, NTCA reiterated its support for the application of *reasonable* subscription milestones to RDOF recipients. *See id*. at 26-30. For purposes of clarification, NTCA believes that the high subscription level identified by the Commission in its initial proposals is unrealistic and fails to recognize that the RDOF recipient will, in many cases, be a new entrant in the areas won in the auction. At the same time, reasonable subscription objectives applied only later in the distribution term (*e.g.*, 35% subscribership after six years) will help to ensure that winning bidders (who will in effect become the new "providers of last resort" in wide swaths of rural America) have incentives to promote as much customer use of the funded networks as possible, rather than perhaps treating subscription as a means of managing network performance levels. Put another way, networks are built not for the mere sake of meeting deployment goals, but rather for the purpose of actually connecting as many Americans as possible to one another – and the Commission's program requirements should somehow reflect this purpose.

Transitions. Finally, NTCA discussed the significance of reasonable transitions between universal service support mechanisms. As one pertinent example, NTCA cited the example of a provider receiving Connect America Fund support that had deployed fiber-to-the-premise connectivity to each of its locations in a given area and was capable of delivering speeds of at least 100 Mbps (if not multiple times that) to every such location. On its face, this area would appear ineligible for the RDOF auction because it shows as "served" – yet it may very much still need ongoing support to maintain the network and keep services "reasonably comparable" to those in urban areas. It Is worth recalling that universal service is an ongoing concept that surpasses mere deployment alone; put another way, universal service is as much about "keeping broadband out there" as it is about "getting broadband out there." Allowing universal service support to lapse altogether in such an area would be a perverse result indeed, effectively *punishing* a carrier for using support to exceed any prior buildout obligations – such a policy would, in short, penalize a carrier (and the consumers in that area) for doing far more than demanded for the same level of support. Consistent with prior comments, NTCA therefore encouraged the Commission to provide ongoing support for maintenance and depreciation where an operator has deployed network capabilities in excess of prior buildout obligations. *See id*. at 34-35. Such a policy would provide appropriate incentives for carriers to do more with the same amount of support and deliver better, more lasting broadband to rural consumers and businesses.

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*
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cc: Preston Wise