



February 21, 2019

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

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

Dear Ms. Dortch:

On Tuesday, February 19, 2019, Kip Wilson and Samuel Farr of Direct Communications (which operates rural telecommunications networks in Utah, Idaho, Colorado, Louisiana and Missouri); Marcus Bott of Oregon Telephone Corporation (which operates rural telecommunications networks in Oregon); and Derrick Owens, Bill Durdach and Gerry Duffy representing WTA – Advocates for Rural Broadband (“WTA”) met with Travis Litman, Chief of Staff and Senior Legal Advisor, Wireline and Public Safety, to Commissioner Jessica Rosenworcel, to discuss the current status of the voice service rate floor and the performance testing requirements for rural telecommunications companies (“RLECs”) and other small carriers.

WTA noted that the current freeze of the rate floor is scheduled to end as of July 1, 2019, and can result in substantial and disruptive local voice service rate increases of approximately \$8.00 per month if action is not taken to extend the existing freeze or eliminate the rule. Whereas WTA members ideally would prefer elimination of the rate floor, the participants emphasized that the critical need at present is for a Commission ruling on the issue much earlier than July 1, in order to avoid the commencement of state ratemaking proceedings and the provision of advance notices of rate increases to remaining voice service customers. Once RLECs have to provide their state regulators and customers with advance notice of a required or likely voice rate increase, much of the damage (which includes terminations of voice service, more rapid migration to broadband-only services, and increased pressures on high-cost universal service budgets and budget control mechanisms) is likely to occur.

WTA also discussed the application that it filed on September 19, 2018 for review of the broadband performance testing order adopted in July 2018 by the Wireline Competition Bureau, Wireless Telecommunications Bureau and Office of Engineering and Technology.¹ WTA stressed that it did not oppose requirements that RLECs and other recipients of high-cost support test their broadband networks for compliance with the Commission’s speed and latency standards, and report the results of such testing to the Universal Service Administrative Company (“USAC”). Rather, WTA’s concern is that the testing requirements adopted in the *Order* were designed predominately by and for large price cap carriers, and did not take into account the very different sizes, resources and operating circumstances of RLECs. Hence, WTA’s Application for Review has requested that commencement

¹ *Connect America Fund*, Order, WC Docket No. 10-90, DA 18-710, released July 6, 2018 (“Order”).

of performance testing by RLECs be deferred for a reasonable time from its scheduled starting point during the Third Quarter of 2019, and that the Commission's Bureaus work with RLEC representatives during the deferral period to develop more reasonable and practicable testing procedures for RLECs and other small high-cost support recipients.

A major factor supporting deferral for RLECs is the present uncertainty as to whether the testing equipment being developed by vendors will be debugged; operate reliably, accurately and compatibly with existing RLEC broadband equipment; and be available in sufficient quantities and at affordable prices for use by RLECs during the Third Quarter of this year. Long experience has taught WTA and its members that equipment development generally takes significantly longer than scheduled, and that initially available versions frequently require revisions and upgrades before they work properly. WTA believes that once testing equipment becomes commercially available and RLECs are able to obtain it, they should have at least six (6) months to test the accuracy and operability of such equipment with respect to their networks before formal performance testing is required to begin.

WTA also reiterated its concerns: (1) that quarterly testing is excessive and can be reduced to once or twice a year (*e.g.*, similarly to cable television signal leakage testing); (2) that the number of required test locations per service tier is excessive for RLECs, particularly given the reluctance of many rural residents to participate in federal testing of their Internet service; (3) that these sampling difficulties will be exacerbated by the requirement to substitute new samples every two years; (4) that rural Internet usage differs from prime time television viewing, while evening broadband testing disrupts and strains the small staffs of RLECs; (5) that the required customer equipment-to-Internet Exchange Point ("IXP") testing route not only fails to duplicate the "customer experience" (which goes beyond IXPs to the websites being accessed), but also unfairly penalizes RLECs for middle mile and customer equipment problems and slowdowns over which they have no control; and (6) that the significant equipment, labor and administrative costs of testing reduce the already limited RLEC resources needed for broadband deployment and service upgrades.

The RLEC participants pointed out that testing will require the replacement of many older customer modems, and that the cost of testing hardware and software, license fees, and related labor can cost even relatively small RLECs at least \$100,000 to \$200,000 per year. Moreover, Mr. Wilson noted that even with a relatively new fiber-to-the-home network, the broadband speeds measured by appropriate tests to customer homes are likely to differ from the customer's perceived experience in the common situation where the customer is connecting multiple devices to a wireless home router.

WTA and its members are committed to helping the Bureaus to develop effective alternative RLEC performance testing procedures that will eliminate or minimize these problems.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceeding.

Respectfully submitted,
/s/ Gerard J. Duffy
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