

February 16, 2016

Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

The undersigned organizations represent a wide variety of interests in rural America and have a vested interest in bridging the digital divide. We are writing to encourage the Commission to create rules for the Connect America Fund Phase II (CAF-II) Reverse Auction that will promote smart investment in high speed networks that are future proof, scalable, and will be able to withstand the ever increasing definitions of broadband service.

As each day passes without access to robust broadband service in rural America, the digital divide widens between urban and rural populations. The CAF-II auction is a once in a decade opportunity to provide rural America with technology that will promote economic growth, improve access to education and health care, and generally improve the quality of life in areas that are currently unserved by broadband.

We support rules for the reverse auction that would encourage both fiscal responsibility and the deployment of future-proof broadband networks in rural America. The auction should be structured to prioritize certain factors so that the FCC allocates the funds to the best possible technologies as measured over the life of the investments made using CAF-II resources. We urge the Commission to ensure that our rural citizens benefit from best available technologies with scalability for the long term in the reverse auction – not simply the network that is cheapest to deploy initially.

- First and foremost, it would ensure that consumers in rural areas have access to broadband services that are reasonably comparable in terms of both cost and quality to the kind of broadband services that are typically available in urban areas. This is consistent with the fundamental principles of Universal Service under the Communications Act, and it would provide equal opportunities to all Americans. Rural America should not be left behind with second-class broadband services.
- Second, it would promote investments in future-proof networks, rather than investments in other technologies that may become obsolete in the near term. That would ensure that the limited remaining available funding is not wasted on technologies that do not stand the test of time or rising customer needs.

We are concerned that if the Commission structures the reverse auction so that short-term deployment cost is the primary consideration as compared to better measures of efficiency for consumers and over the lives of the funded networks, it would unfairly give preference to lower-capacity, less robust networks and effectively prevent the deployment of networks comparable to those deployed in urban areas. Indeed, a recent study filed with the FCC found that the per-unit capacity costs of more robust

networks are likely to be lower than comparable per-unit capacity costs of networks with technologies that may become obsolete in the near term.¹

Rural America needs access to high-speed services that provide the capacity that is needed for attracting and retaining business in rural areas. Networks with these characteristics enable residential customers to work from home and provide greater access to job growth opportunities. Educational improvements are enabled through truly high-speed networks in ways that slower speed technologies cannot deliver. High speed, scalable, future proof networks provide the capacity that is needed for improved health care services, such as robotic surgery and other telehealth applications.

For all of these reasons, the Commission should design the reverse auction to promote opportunities for high-speed, future-proof broadband networks to access funding through the Connect America Fund. This is a once-in-a-decade opportunity to realize a vision of rural broadband that provides comparable services to all Americans and bridges the digital divide.

Sincerely,

America's SBDC
American Sugar Alliance
Center for Rural Affairs
Fair Food Network
Farm Credit Council
Farm Equipment Manufacturers Association
Food Marketing Institute
National Association of Development Organizations
National Association of Resource Conservation and Development Councils
National Center for Frontier Communities
National Cooperative Business Association
National Cotton Council
National Council of Farmer Cooperatives
National Farmers Union
National Grange
National Latino Farmers and Ranchers Trade Association
National League of Cities
National Rural Economic Developers Association
National Rural Education Association
National Rural Electric Cooperative Association
National Rural Health Association
National Sorghum Producers
Northern New Mexico Stockman's Association
NTCA-The Rural Broadband Association
Organizations Concerned about Rural Education
Power and Communications Contractors Association
Rural Broadband Council
Rural Community Assistance Corporation
Rural School and Community Trust

¹ *Wireless Broadband is Not a Viable Substitute for Wireline Broadband*, Vantage Point Solutions (2015).

State Agriculture and Rural Leaders
Southwest Council of Agribusiness
Texas/Mexico Border Coalition
The Rural Coalition
Utilities Telecom Council
USA Rice
Western Peanut Growers Association

cc: Hon. Mignon Clyburn
Hon. Michael O’Rielly
Hon. Ajit Pai
Hon. Jessica Rosenworcel