

FCC Workshop on Universal Service and ICC Reform
May 16, 2011
State of Alaska

- The National Broadband Plan generally, and FCC proposals for USF reform to date, assume, imply at best, the existence of adequate middle mile connectivity to unserved areas, especially unserved rural areas.
- Before engaging in and finalizing CAF support policies, regulations, and funding mechanisms, the FCC should first:
 - identify where middle mile infrastructure doesn't exist or is inadequate to meet NBP goals
 - target USF reform and CAF transition to middle mile infrastructure build out while maintaining existing support of high cost areas
 - only after middle mile infrastructure challenges are identified and met can the FCC address last mile support requirements to achieve the long range goals of the NBP
- The FCC, through the Federal/State Joint Board for USF Reform, should also:
 - engage in direct dialog and planning with all potential Federal agency partners for the purpose of:
 - ensuring all federal resources can be leveraged for middle mile connectivity mitigation funding challenges (e.g. Department of Homeland Security, Health, Education, Commerce, DoD, etc.) as all must rely on successful broadband deployment to achieve their short and long term goals
 - work with NTIA directly to modify existing state Broadband Planning grant scopes of work to target individual state identification of middle mile infrastructure challenges and mitigation strategies within 12 months
 - develop and propose a plan and funding strategy, flexible enough to accommodate varying mitigation strategies, for successful CAF transition and long term implementation
 - middle mile mitigation strategies must include direct funding support and not just loans
 - in most cases, unserved rural markets do and will not support any business model that will generate revenues to support full loan payback
 - long term CAF implementation across unserved rural areas must include ongoing O&M support for both middle mile and last
- Contrary to recent FCC proposals, state partnerships must be expanded, not preempted:
 - state partnerships are the biggest asset to the FCC in successfully implementing all strategies for middle mile and last mile goals of the NBP generally and CAF implementation specifically
- Any long term middle mile mitigation strategy must incorporate satellite infrastructure only for such interim periods as necessary to develop fiber or terrestrial microwave infrastructure
- Only by starting with the identification of full infrastructure challenges, including middle mile, and the development of full infrastructure mitigation strategies can any CAF program hope to provide the long term broadband infrastructure necessary to achieve all NBP goals