

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of

Establishing a 5G Fund for Rural America

Universal Service Reform – Mobility Fund

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GN Docket No. 20-32

WT Docket No. 10-208

NTCA–The Rural Broadband Association (“NTCA”)¹ hereby submits these Comments in response to the request by the Federal Communications Commission (“Commission”) for comment on its proposals to create a \$9 billion 5G Fund for Rural America.² In its NPRM the Commission outlined two approaches, described as “Option A” and “Option B” for the first phase of funding.

Option A proposes to distinguish between rural and urban areas based on existing data sources and would allow for a rapid disbursement of support to what are presently identified as unserved rural areas. The Commission anticipates it would conduct a 5G Phase 1 auction under option A in 2021.³ Option B would have the auction commence after the Commission develops

¹ NTCA represents approximately 850 independent, community-based telecommunications companies and cooperatives and more than 400 other firms that support or are themselves engaged in the provision of communications services in the most rural portions of America. All NTCA service provider members are full service rural local exchange carriers and broadband providers, and many provide fixed and mobile wireless and other competitive services in rural America as well.

² Establish a 5G Fund for Rural America, GN Docket No. 20-32, Universal Service Reform – Mobility Fund, WT Docket No. 10-208 (closed), Notice of Proposed Rulemaking and Order (Rel. April 24, 2020). (“NPRM”).

³ NPRM, ¶¶24-26.

more granular mobile broadband coverage maps that validate coverage claims based upon standards now under development. The Commission believes Option B would result in “less expansive and more targeted eligible areas” than under Option A but would “significantly delay” the Phase I action and disbursement of support to rural areas.⁴

I. INTRODUCTION AND SUMMARY

NTCA recognizes and shares the Commission’s concern that there are rural areas where there is insufficient financial incentive for mobile wireless carriers to invest in and operate 5G-capable networks and, as is often the case in such market failure areas, those communities could be excluded from the technology and economic benefits of advanced communications like those found in urban areas. While still requiring significant work and investment, the use case for 5G in densely populated urban areas is far easier to make, given the relative ease with which antenna densification and fiber investment can be achieved. It therefore stands to reason – and it is already being seen – that large network providers will focus on those areas at the outset of national 5G deployment.

But universal service mandates of the Communications Act contemplate the deployment of advanced communications technologies in rural areas. The Communications Act establishes a mandate of “reasonably comparable” service. Policy makers must adopt a vision of connectivity and access that includes, pursuant to the mandate of the Communications Act, all regions of the nation. Moreover, the predicted use-cases for 5G include connectivity for applications that are

⁴ NPRM, ¶¶37-39.

especially useful in rural America – like remote education and telemedicine, smart transportation, and precision agriculture – illustrating that broadband, including mobile broadband, will continue to become increasingly intertwined in activities of daily living and industry in all regions of the country, regardless of population density or deployment challenges.

NTCA also recognizes that in determining where and how to fund deployment where the financial incentive is lacking, there are competing concerns that must be balanced – one, the pressing need to ensure that areas that have historically lacked adequate mobile service do not fall further behind as 5G ramps up in urban areas, and the other, to take the time to verify the mobile broadband coverage data so that support can be targeted precisely to where mobile coverage is truly lacking and avoid duplicating the efforts of existing networks.

NTCA submits there is a way to roll out funding in way that is appropriate and targeted, while also spurring rapid deployment of 5G service in some of the most rural areas, consistent with the Commission’s goals. As described more fully below, as an initial matter, the Commission should make funding available to wireless providers currently receiving legacy support in some of the most rural parts of the country in exchange for a commitment to upgrade their existing networks for 5G capability. Paired with this immediate infusion of support to enable 5G deployment in the most deeply rural areas, the Commission would then work on developing accurate wireless coverage maps, consistent with “Option B,” by a date certain so that there would be no unreasonable delay to fund additional rural areas currently lacking service.

II. LEVERAGING AND UPGRADING THE NETWORKS OF EXISTING PROVIDERS WOULD ENSURE RAPID DEPLOYMENT OF 5G SERVICES IN THE MOST DEEPLY RURAL AREAS EVEN AS MAP CONCERNS ARE SORTED OUT MORE BROADLY

It is a false choice to conceive that there are only two viable options for the first phase of the 5G Fund. Option A is presented as an option to make available funding quickly and Option B as an option to better target support. The Commission can “thread a needle” between these two options and quickly advance 5G deployment in the most deeply rural areas by offering legacy small providers who operate in U.S. Department of Agriculture’s Rural-Urban Commuting Area Codes (RUCA) 5-10 support in exchange for a commitment to build 5G in those areas specifically. Meanwhile, the Commission can make progress toward the goal of targeting funding by simultaneously committing to developing reliable deployment maps by a date certain and scheduling a reverse auction for those other rural areas confirmed to be unserved as contemplated in Option B.

In 2011, the Commission established the Mobility Fund as part of its comprehensive reform of the universal service and intercarrier compensation programs.⁵ As part of that reform, the Commission froze high cost support and provided for a five-year transition period during which mobile wireless competitive eligible telecommunications carrier receiving frozen high-cost support would continue to receive support subject to a phase down reduction of 20% per year beginning July 1, 2012.⁶ The Commission provided that if Mobility Fund Phase II were not

⁵ *Connect America Fund, et.al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd (2011) (*USF/ICC Transformation Order and Further Notice*).

⁶ *USF/ ICC Transformation Order and Further Notice*, ¶¶ 513-519.

operational by July 1, 2014, the phase down of frozen high-cost support for existing mobile support recipients would pause at the 60% level in effect on that date.⁷ Mobility Fund Phase II is not operational, so mobile wireless providers currently receive approximately \$300 million per year in phased down legacy support.

The Commission should continue to make such support available to small “legacy” providers but reorient it toward the provision of 5G service to their rural communities.⁸ These existing providers have been good stewards of universal service funds and should be encouraged to continue the work of bringing advanced mobile services to rural areas.⁹ Leveraging these existing networks is also efficient in that it takes advantage of existing assets that can be upgraded for better levels of service and, even in advance of mapping efforts, targeting the buildout to the most rural parts of the country would help to promote 5G availability in the most deeply rural areas that are least likely to see otherwise any renewed investment in mobility anytime soon.

Specifically, NTCA proposes making up to \$1.5 billion of the \$9 billion budget available over a ten-year period to current recipients of frozen support that have 500,000 or fewer subscribers in the aggregate in RUCAs 5-10. The amount of support a provider would receive

⁷ *Id.*, ¶ 519.

⁸ The notion of a pre-auction “5G Small Carrier Fund” was discussed broadly in an *ex parte* presentation of the Rural Wireless Association (RWA). *Ex Parte* of the Rural Wireless Association in GN Docket No. 20-32 (April 17, 2020).

⁹ *See*, FCC 5G Fund for Rural America: Report on Rural Carriers’ USF Legacy Support, *Ex Parte* of the Rural Wireless Association in GN Docket No. 20-32 (filed June 24, 2020).

from the 5G plan would be based on what the provider currently receives for customers in the rural RUCAs as defined in the Commission’s Option A, with an upward adjustment for the 5G upgrade.¹⁰ This “5G Small Carrier Fund” would only be available to serve RUCA’s 5-10 and carriers would be required to identify where they are targeting their support by census tract.¹¹

In exchange for 5G funding, 5G Small Carrier Fund recipients would make binding commitments to deploying the current 5G 3GPP Release with population or geographic-based deployment benchmarks, as defined by the Commission. Carriers would not be permitted to serve overlapping areas. To the extent carriers propose to serve the same census tract, the Commission would divide the area to determine the support. Census tracts for which a legacy small provider declines 5G Small Carrier Fund support would be made available for the next funding phase and the corresponding frozen identical support would completely phase out two years after the conclusion of a reverse auction for the unserved areas.

There is precedent for such an approach in the universal service context. Specifically, under the Alaska Plan, support recipients were provided a comparable opportunity to maintain funding for a defined term in exchange for renewed and expanded deployment commitments.¹²

¹⁰ The total amount of support legacy carriers receive may increase if the Commission applies the adjustment factors to legacy carriers’ current levels of support.

¹¹ To the extent a carrier receives legacy support in an area not eligible for the 5G Small Carrier Fund (*i.e.*, census tracts in RUCAs 1-4) or proposes to upgrade only some of its currently served census tracts within RUCAs 5-10, available support would be reduced proportionately, based on a measure such as the number of POPs or geography covered.

¹² Connect America Fund, WC Docket No 10-90, Universal Service Reform – Mobility Fund, WT Docket No. 10-208, Connect America Fund – Alaska Plan, WC Docket No. 16-271, Report and Order and Further Notice of Proposed Rulemaking (Rel. August 31, 2016).

Similarly, a 5G Small Carrier Fund would leverage existing support with reinitialized buildout obligations to modernize the program and help promote the types of broadband offerings that consumers increasingly demand, efficiently target support to the most rural areas that need it most, and establish demonstrable progress in connecting unserved consumers.

III. THE COMMISSION SHOULD COMMIT TO CREATING VALID MAPS AND HOST A REVERSE AUCTION FOR ELIGIBLE AREAS

Even as the 5G Small Carrier Fund is being implemented and infusing support for 5G networks into the most rural areas to start, the following phase of the 5G Fund should consist of a multi-round, descent clock auction for areas identified through improved maps as unserved by at least 4G LTE. By leveraging existing support to promote 5G availability in the most rural areas, the Commission ensures that rural 5G deployment begins post haste even as it undertake the effort to address mapping concerns in other areas.¹³

Unlike continued support for small wireless providers who commit to offer 5G to some of the most rural communities, the 5G fund may be considered a “new award of funding” for which the Commission may need to use the statutorily required maps under the Broadband DATA Act.¹⁴ While there is disagreement about whether the language of the Broadband DATA Act requires maps before funding or only that the maps be used once they are created, potential legal

¹³ The first phase of funding should be offered to small legacy providers serving rural areas before any reverse auction occurs, whether the areas made available for auction are based on maps (Option B) or assumptions (Option A).

¹⁴ Broadband DATA Act at § 802(c)(2)(B).

challenges to “Option A” could delay the proceeding and divert resources away from map development, pushing any auction under Option A past the target date in 2021. Instead, the Commission should focus on developing valid maps and commit to an auction in 2022. The Broadband DATA Act requires the Commission to issue final rules by September 2020 to enhance the accuracy of the fixed and mobile data on existing broadband coverage. Although the Commission estimates that it cannot be a ready for an auction with a map until 2023, the Commission should commit to completing its data collection in 2021 and to hosting a 5G reverse auction no later than June of 2022.

While no area in RUCAs 5-10 currently has access to 5G, the Commission could map which areas have launched 4G LTE service and combine it with data about population density and topography to identify areas deserving priority based on reasonable assumptions about where 5G is unlikely to be deployed absent funding.¹⁵

IV. THE COMMISSION SHOULD REQUIRE RURAL-URBAN COMPARABILITY FOR PROVIDERS RECEIVING SUPPORT

The Commission asks a variety of questions about the service requirements for 5G Fund recipients.¹⁶ NTCA supports the Commission’s proposals. All recipients of funding should be eligible telecommunications carriers (“ETCs”) pursuant to 214(e) of the Communications Act of

¹⁵ T-Mobile committed to a 5G rural build out as part of its merger with Sprint and should not be eligible to receive funding to meet that commitment. In advance of the auction, T-Mobile should be permitted the voluntary opportunity to submit binding coverage maps to ensure that funding is not offered in areas that would otherwise receive 5G service by T-Mobile.

¹⁶ NPRM ¶¶ 97-137.

1934, as amended.¹⁷ Winning bidders who are not ETCs should be required to obtain ETC designation from the relevant state commission (or the FCC, if the state lacks jurisdiction) within 180 days of the release of the public notice announcing winning bidders in each of the geographic areas in which they won support. All who receive or win funding must have the necessary spectrum resources and commit to offering a terrestrial mobile wireless product that is similar in features and price to the 5G mid-level plan offered in urban areas by large, nationwide providers. Further, to ensure true comparability and ensure rural 5G availability to customers of all providers, the Commission should use the opportunity presented in this proceeding to finally determine all mobile wireless providers must offer reciprocal roaming and may not block their own customers from roaming on another provider's network.

V. CONCLUSION

Providers seeking to offer 5G mobile wireless service require certainty and stability to invest in such networks and offer such services. Despite the long-standing uncertainty regarding support for mobile networks, small rural legacy providers have been good stewards of universal service funds and have continued to upgrade and serve their communities. Before any reverse auction, the Commission should make up to \$2 billion of the funding available over 10 years to small existing providers who commit to upgrading their networks to provide 5G service in the most rural parts of the country. This initial round of funding will offer the Commission the

¹⁷ 47 U.S.C. § 214(e)(1)

ability to map out current coverage in other areas and target future funding to unserved areas via a reverse auction.

Respectfully submitted,



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