



Connect America Fund Phase II Challenge Process

September 25, 2013



Federal
Communications
Commission



Federal Communications Commission

Agenda

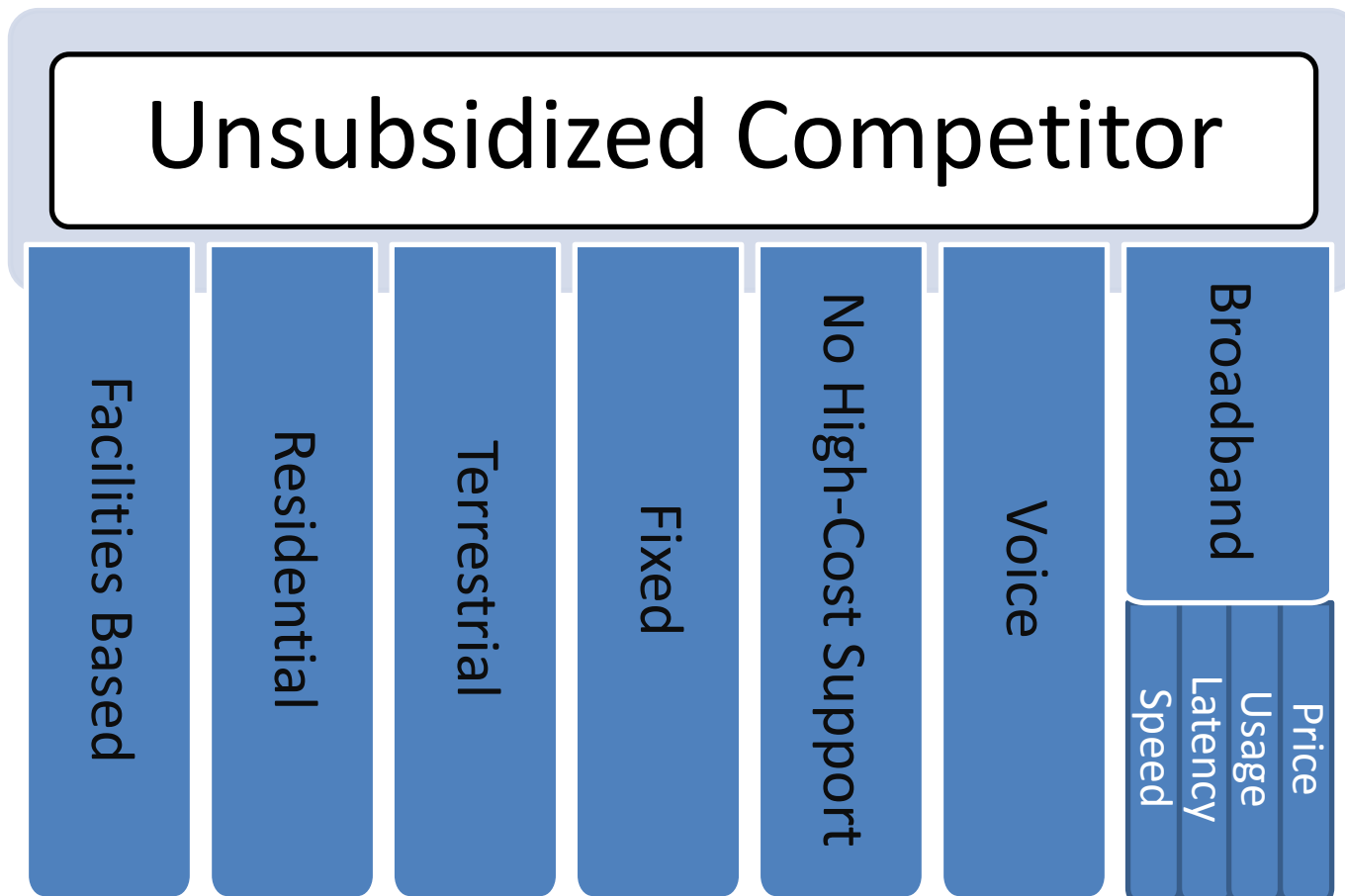
- Overview of the Challenge Process
- Definition of a Connect America Fund Phase II Unsubsidized Competitor
- Purpose of the Challenge Process
- Timing and Steps in the Challenge Process
 - Initial List of Eligible Locations
 - Filing a Challenge
 - List of Challenged Blocks
 - Responding to a Challenge
 - Bureau Review

Overview of the Challenge Process

- Phase II support should be targeted to areas not served by an unsubsidized competitor
- Parties given opportunity to challenge whether or not an area is served by an unsubsidized competitor
- Commission delegated authority to Bureau to implement
- *Phase II Challenge Process Order* (DA 13-1113) (May 16, 2013)
- States are encouraged to participate in the process

What Is an Unsubsidized Competitor?

- An unsubsidized competitor is a “facilities based provider of residential terrestrial fixed voice and broadband service that does not receive high-cost support.” 47 C.F.R. § 54.5.



Why Do We Need a Challenge Process?

- National Broadband Map offers data on speed, fixed, and terrestrial requirements
 - Lag time
 - A location that becomes served after the last update of the National Broadband Map counts as served
 - Gaps in National Broadband Map reporting
 - Limited data available on other criteria
 - No data on facilities based, residential, no high-cost support, or other non-speed broadband criteria (usage allowance, latency, price)
- Challenge process can address these issues

Timing of Challenge Process



The Initial List

- Blocks initially determined to be eligible for support will appear on list issued by the Bureau
- To be eligible for Phase II support, a census block must:
 - Be above the lower funding threshold
 - Be below the extremely high-cost threshold
 - Be unserved by an unsubsidized competitor

Determining Whether a Census Block Is Served

- Data Sources: National Broadband Map and FCC Form 477
- Two elements must be met for a census block to be presumed served by an unsubsidized competitor:
 - National Broadband Map shows census block as served by terrestrial, fixed service with speeds of 3 Mbps/768 kbps or higher
 - Provider offering broadband is shown on Form 477 as offering voice service in the state where the census block is located

Presumptions on Service

- Providers meeting the known criteria (voice, speed, fixed, terrestrial) will be presumed to meet the remaining criteria:
 - Broadband non-speed criteria (usage allowance, latency, price)
 - Facilities based
 - Residential
- Without presumption, thousands of providers would be required to file with the Commission

Partially Served Census Blocks

- Partially served blocks are treated as 100 percent served for purposes of Phase II
- If one location in a block is served, the entire block is treated as served
- Same standard applies in the challenge process
 - For a block to be unserved, challenger must show that ALL of the locations fail to meet AT LEAST ONE of the criteria
 - For a block to be served, challenger must show that AT LEAST ONE of the locations meets ALL of the criteria

Filing a Challenge

- Anyone (including states) can challenge a location
- OMB has approved Form 505 for challenges

Connect America Phase II Challenge Process Form
OMB Control Number 3060-1188
FCC Form 505

Filing Entity:	
FRN (if applicable):	
Name of Person Filling Out Form:	
Mailing Address of Person Filling Out Form:	
Email Address of Person Filling Out Form:	
Phone Number of Person Filling Out Form:	
Name of Person Certifying Data within Form:	
Mailing Address of Person Certifying Data within Form:	
Email Address of Person Certifying Data within Form:	
Phone Number of Person Certifying Data within Form:	

Challenging a Location Identified as Served

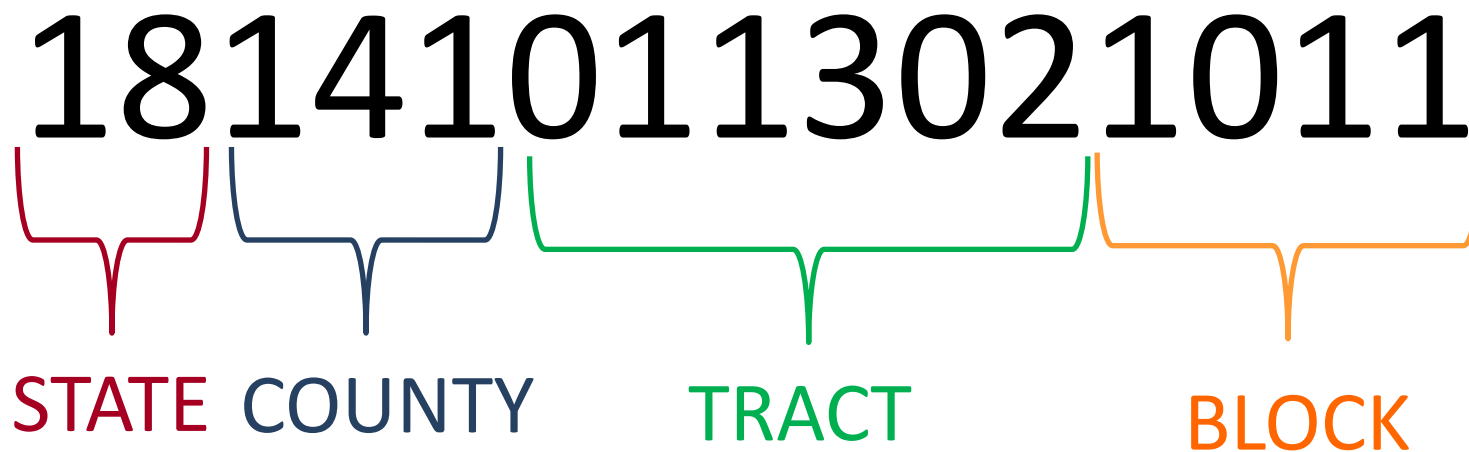
- Challenge seeks to add block to the list of blocks eligible for funding by claiming that block is in fact unserved
- Need only identify one requirement not being met (for all locations in the census block)

Census Block 15 Digit FIPS Code	State	Provider Name As Listed in National Broadband Map	Insert X if Speed Criteria Not Met	Insert X if Usage Allowance Criteria Not Met	Insert X if Latency Criteria Not Met	Insert X if Price Criteria Not Met	Insert X if Voice Criteria Not Met	Type of Supporting Evidence	Additional Comments

Census Block Identifying Information

Census Block 15 Digit FIPS Code	State	Provider Name As Listed in National Broadband Map
181410113021011		

FIPS Codes



Census Block Identifying Information

Census Block 15 Digit FIPS Code	State	Provider Name As Listed in National Broadband Map
181410113021011	IN	Clay Cable Company
181410113021011	IN	Colonial Wireless

Challenged Service Criteria

Insert X if Voice Criteria Not Met				X
Insert X if Price Criteria Not Met			X	X
Insert X if Latency Criteria Not Met		X		X
Insert X if Usage Allowance Criteria Not Met		X		X
Insert X if Speed Criteria Not Met	X		X	X

Broadband Service Criteria

- Speed – Provider is not offering 4 Mbps/1 Mbps
- Usage Allowance – Provider is not offering usage allowances reasonable comparable to what is offered for terrestrial, residential service in urban areas
- Latency – Provider’s latency is not sufficiently low to allow for the use of real-time apps such as VoIP
- Price – Provider’s price is not reasonably comparable to the rates available in urban areas for comparable service

Voice Service Criteria

- Voice – Provider isn't offering its own voice telephony service
 - Voice grade access to the PSTN or its functional equivalent, minutes of use for local service provided at no additional charge to end users, toll limitation to qualifying low income consumers, and access to 911/E911
 - “Own” voice service – Would the subscriber conclude that voice and broadband services are provided by the same entity

Other Criteria

Insert X if Speed Criteria Not Met	Insert X if Usage Allowance Criteria Not Met	Insert X if Latency Criteria Not Met	Insert X if Price Criteria Not Met	Insert X if Voice Criteria Not Met	Type of Supporting Evidence	Additional Comments
X	X	X	X	X	Advertising materials A	No Residential Service
X	X	X	X	X	Advertising materials B	Does Not Serve Block

Challenging a Location Identified as Served

- A block on initial list should not be funded because it's already served by an unsubsidized competitor

Census Block 15 Digit FIPS Code	State	Name of Entity Providing Service	FRN used to File Form 477 (if challenge being filed by the service provider)	Insert an X if you certify that this census block is served by unsubsidized broadband and voice services meeting the Commission's performance and pricing criteria.	Type of Supporting Evidence	Additional Comments

Evidentiary Requirements

- All challenges **must be supported by evidence!**
- The Bureau will not consider challenges unsupported by evidence
- Any type of evidence may be used
- Same evidence may be used for multiple blocks

Insert X if Speed Criteria Not Met	Insert X if Latency Criteria Not Met	Insert X if Usage Allowance Criteria Not Met	Insert X if Price Criteria Not Met	Insert X if Voice Criteria Not Met	Type of Supporting Evidence	Additional Comments
X					Advertising Materials #1	Only offering 768/200
X					Advertising Materials #1	Only offering 768/200

Sub-Census Block Challenges

- Sub-census block challenges are not allowed
- Partially served census block will be treated as 100 percent served
- Served-to-Unserved challenge must contend that the block is completely unserved – cannot contend that an existing provider serves only part of the census block
- Unserved-to-Served challenge only needs to show provider is serving at least one location in a census block – entire block will be treated as served

Accuracy and Due Diligence Certification

Accuracy and Due Diligence Certification

All Filers Must Fill Out

By initialing below, I certify that all statements contained in the attached form are true and accurate to the best of my knowledge, and that I have undertaken due diligence to obtain knowledge regarding these claims.

Certifier's Initials:

Date:

Service Certification

Notice of Challenge Certification

(Served to Unserved and Unserved to Served Challengers Fill Out One of the Following Blocks - Respondents Do Not Fill Out)

Service of Notice Successful

By initialing below, I certify that notice of this challenge has been served on all interested parties.

Certifier's Initials:

Date:

Service of Notice Unsuccessful

By initialing below I certify that, following a good faith effort, I was unable to serve notice of this challenge on all interested parties due to lack of information regarding the address of such parties.

Name of Party/Parties that
Could Not Be Served:

Certifier's Initials:

Date:

Serving Notice and Filing

- Serving Notice

- Parties must make a good faith effort to serve a copy of their challenges on interested parties

- Who is an “interested party”?

- Served-to-Unserved – Any provider (listed under “Provider Name”)
 - Unserved-to-Served – Incumbent

- Challenger must certify that notice was given or, if it was unable to give notice, that a good faith effort was made to do so

- Filing

- File on ECFS and send a native, machine readable copy to a designated Commission staff member

The Challenged List

- Bureau reviews all filed challenges to ensure a prima facie standard has been met
- What constitutes a prima facie challenge?
 - Form 505 is properly filed out
 - All required certifications have been made
 - Challenger provided evidence with the challenge
- Bureau will publish a list of all census blocks for which a prima facie challenge is made

Responding to a Challenge

- 45 days to respond to challenged census blocks
- Not an opportunity to challenge new blocks – may only respond to blocks that are on the challenged list
- Anyone (including states) may file a response
- Responses are also filed on Form 505

Census Block 15 Digit FIPS Code	State	Name of Entity Making Initial Challenge	FRN of Entity Making Initial Challenge (if provided)	Insert X if Speed Criteria is at Issue	Insert X if Usage Allowance Criteria is at Issue	Insert X if Latency Criteria is at Issue	Insert X if Price Criteria is at Issue	Insert X if Voice Criteria is at Issue	Type of Supporting Evidence	Additional Comments

Responding to a Served to Unserved Challenge

- Check the boxes of the criteria at issue
- Respondent does not need to respond to criteria that were not challenged

	Insert X if Speed Criteria is at Issue	Insert X if Usage Allowance Criteria is at Issue	Insert X if Latency Criteria is at Issue	Insert X if Price Criteria is at Issue	Insert X if Voice Criteria is at Issue	Type of Supporting Evidence	Additional Comments
Only Speed Challenged →	X					Affidavit #1	
Latency & Usage Challenged →		X	X			Affidavit #1	
All Criteria Challenged →	X	X	X	X	X	Customer Records	

Responding to Unserved to Served Challenges

- Respondent only need to respond to one criterion

Insert X if Speed Criteria is at Issue	Insert X if Usage Allowance Criteria is at Issue	Insert X if Latency Criteria is at Issue	Insert X if Price Criteria is at Issue	Insert X if Voice Criteria is at Issue	Type of Supporting Evidence	Additional Comments
	X				Advertising Materials	
			X	X	Customer Statement	
X	X	X			Engineering Study	

Responses: Evidence, Certifications, and Filing

- All responses must be supported by evidence
- Responses must include the certification that statements are true and accurate
- No requirement to provide notice to interested parties - no opportunity to rebut responses, so notice is unnecessary
- File both on ECFS and with the designated Commission staff member

Wireline Competition Bureau Review

- Bureau will review all challenges that make a prima facie case and responses that are received
- Bureau does not intend to consider advocacy outside of the challenge process
- If a challenge is successful, the Bureau will change cost model's designation of the block for the purposes of the Phase II state-level commitment
- Bureau will publish finalized list of eligible census blocks

Recap

- Covered today:
 - Timing of process
 - How to file challenges and responses on Form 505
 - How the Bureau will act on challenges and responses
- States are encouraged to monitor and participate in the challenge process

Questions?

Thank You!