

**DISSENTING STATEMENT OF  
COMMISSIONER MIGNON L. CLYBURN**

Re: *Connect America Fund*, WT Docket No. 10-90, *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208, *Connect America Fund—Alaska Plan*, WC Docket No. 16-271.

Photographer Sam Abell spent 33 years on assignment with National Geographic. In discussing his favorite places to photograph, he said that “for sheer majestic geography and sublime scale, nothing beats Alaska.” But the same characteristics that make Alaska beautiful to photograph also make it a harsh landscape to deploy communications services.

Bringing broadband to “The Last Frontier” has unique challenges. Frozen tundra, short build seasons, long nights—not to mention “goo.”<sup>1</sup> That is why the Commission has made modifications in its universal service reforms to address Alaska’s unique position, and has exempted it from the FCC’s *Rate-of-Return Reform Order* adopted just this year. Many of the state’s providers came forward with a plan for how to bring more broadband to the state, but the Alaska Plan, which this Order adopts in substantial part, has serious deficiencies. Because of that, I must dissent.

First, the Plan continues to support multiple overlapping mobile providers, which goes against a key principle underpinning the Commission’s ongoing work on universal service reform: **We do not subsidize competition. We do not** provide duplicative high-cost support to carriers in the same area and **we do not** subsidize carriers where other unsubsidized carriers are providing service. That underlying principle should be applied here as well. With Alaska’s “sublime scale,” we should instead be directing support to areas that are unserved, not subsidizing competition in areas that already receive mobile service. And just what is the cost to the American consumer of continuing to support overlap in these areas? About \$35 million a year! It pains me to say that the Alaska Plan was an opportunity for Alaska providers to come together and solve this problem. Alas, an opportunity forfeited.

Second, the Alaska Plan does little to address the very real middle-mile problem in Alaska. It is clear that Alaska’s “majestic geography” makes deployment difficult, but without affordable middle-mile connectivity, high-cost program support spent on the last mile does little to improve communications service to Alaskans. The Brattle Group study submitted in the record estimates that 84% of the costs associated with providing 4G LTE in the relevant Remote Alaska census blocks are middle-mile costs. Indeed, some carriers likely cannot even deploy basic broadband service to their current voice customers without better middle-mile support. More fiber or microwave middle-mile capacity will reduce costs and save consumers money in the long run. Reporting on backhaul buildout—which is what this Order accomplishes on middle-mile—will not seriously move the needle. To be sure, providers are working to deploy additional middle-mile capacity, and for this I applaud them. However, the Alaska Plan was an opportunity for the state’s providers to come together and once and for all solve this problem. But alas, a missed opportunity.

Particularly heartbreaking is the combination of these issues. What do I mean? Commissioner Pai and I supported an approach that would have taken the \$35 million a year in duplicative universal service money and use it to support a middle-mile mechanism that would enable many Alaskans in the Bush to receive broadband for the very first time. While I recognize that such a mechanism does not fit cleanly into our universal service high-cost precedent, unique challenges call for innovative solutions. The status quo is simply not good enough, and the cost of doing nothing is far too high. I was sincerely

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<sup>1</sup> Some marshland areas of Alaska require providers to dig through up to 15 feet of “goo” before hitting the bedrock that provides sufficient physical support for infrastructure deployment.

hopeful that providers would come together and provide a meaningful solution for these persistent challenges. Alas, another opportunity missed.

I want to thank the staff of the Wireline Competition Bureau and the Wireless Telecommunications Bureau for the tremendous amount of work that went in to attempting to solve these difficult problems that face the Commission and the citizens of Alaska. While I cannot support today's Order, the efforts of the staff are notable and appreciated.