

# Pennsylvania Telephone Association

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**Steven J. Samara**

President

January 28, 2020

The Honorable Ajit Pai, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

Re: Rural Digital Opportunity Fund, WC Docket No. 19-126; Connect America Fund,  
WC Docket No. 10-90

Dear Chairman Pai:

On behalf of the member companies of the Pennsylvania Telephone Association (companies), I write to commend you for your leadership in and prioritization of the deployment of broadband in rural America. Pennsylvania's RLECs are similarly motivated and are invested (both financially and from a public policy perspective), in ensuring that the Keystone State's rural citizens have the benefits of a robust broadband network.

Pennsylvania was at the forefront of the rural broadband deployment effort when it passed Act 183 of 2004 which required universal deployment of 1.544 Mbps by the rural telcos. In many areas, the network capable of providing that level of service has long been eclipsed and now our attention has turned to addressing the challenges, obstacles, and disincentives to deploying significantly faster speeds in the areas of the state most difficult to serve.

In addition to participation in the Connect America Fund, the companies' efforts have been both regulatory and legislative; including seeking fair adjudication of pole attachment disputes, providing certainty in support from the Pennsylvania Universal Service Fund, and the application of the gross receipts tax, and the modernization of our state's public utility code. The common thread in all of these initiatives is removing barriers and minimizing the costs which make faster rural broadband deployment less attractive, or even impossible.

That theme also applies to the subject of this correspondence, reasonable letter of credit requirements in the Rural Digital Opportunity Fund (RDOF) program.

While the companies appreciate the necessity for the Commission to protect this vital investment, our concern is that, as currently structured, significant revenue could be directed away from deployment. In order to ensure that Pennsylvania RLECs of all sizes are able to participate in this exciting new program, I'd ask that you and your colleagues consider adopting lower letter of credit requirements or alternative means to allow the companies to demonstrate their financial stability.

I appreciate your consideration of our perspectives and look forward to having my member companies making RDOF a key component of our deployment efforts going forward. Please feel free to call me with any questions that you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "S.J. Samara", with a long horizontal flourish extending to the right.

Steven J. Samara  
President