

## Broadband USA Applications Database

**Applicant Name:** Iniciativa Tecnológica Centro Oriental, Inc.(INTECO, Inc. by its Spanish acronym)

---

### Public Notice Submissions

---

-----**Service Area:** INTECO

**Submitter:** Liberty Cablevision of Puerto Rico, Ltd.

**Comment:** INTECO's proposed funded service area is not unserved. The proposed funded service area comprises the municipalities of Caguas, Gurabo, Juncos, Naguabo, Ceiba, Cayey, San Lorenzo, Las Piedras, and Humacao, all served by Liberty Cablevision of Puerto Rico (Liberty). Liberty already offers 3+ mbps broadband to its entire footprint in these municipalities.

Underserved metrics in rural Puerto Rico have to take into consideration the fundamentally different nature of this market as it compares to the U.S. mainland. According to the most recent U.S. Census data, the median household income in U.S. mainland is 2.7 times higher than the median household income in the above-mentioned municipalities in Puerto Rico. Liberty's investment of over \$50 million dollars just in the past five years in plant upgrades and Internet backbone capacity to support broadband service of up to 15 mbps, has increased broadband penetration in this area almost tenfold in spite of such poor economic conditions. This is so in spite of the fact the Puerto Rico's geographic location forces ISPs to lease Internet backbone capacity through an ultramarine circuit, which makes broadband more expensive than in the U.S. mainland.

Under these circumstances, much more so than on the mainland, the subsidization of a new broadband overbuild competitor could undermine the viability of the existing service providers, which in Liberty's case as a cable operator, naturally intend to upgrade its plant in the future to reach much higher speed capability through already existing technology enhancements. RUS and NTIA instead should take a hard look at the leading reasons for low levels of broadband adoption in rural Puerto Rico, which would point toward focusing ARRA broadband funding in these markets on sustainability and public computing programs and not on subsidizing additional infrastructure to areas that are not unserved.

Finally, INTECO's project appears to be unsustainable. Most of the area has multiple service providers including Liberty Cablevision of Puerto Rico in addition to PRT (DSL service), five wireless carriers with

wireless data service and additional ISP providers. All would share a sizeable market presence within the low percentage of the homes with computers.