



The Voice of America's Broadband Providers

November 8, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication: WC Docket No. 10-90

Dear Ms. Dortch:

On November 6, 2017, Todd Foje and Ken Pfister of Great Plains Communications, Jim Butman and Drew Petersen of TDS Telecom, Alan Morse and John Strode of Ritter Communications, and Jason Williams of Blackfoot, along with Genny Morelli and the undersigned of ITTA, met separately with Commissioner Mignon Clyburn and Claude Aiken of her Office, Commissioner Brendan Carr and Jamie Susskind of his Office, and Commissioner Jessica Rosenworcel and Travis Litman of her Office, regarding the above-captioned proceeding concerning funding for the A-CAM Plan.¹

In our meetings, we described benefits already accruing from the A-CAM Plan.² Using A-CAM Plan funds, ITTA members already have deployed hundreds of miles of fiber that they would not have been able to deploy without such funds. In rural Arkansas, for instance, A-CAM funds have enabled Ritter to lay fiber closer to customers in economically challenged areas such as the agricultural region of the Mississippi Delta. Prior to A-CAM funding, Ritter customers in those areas who had access to any broadband at all received speeds of 6/1 Mbps. Now, as a result of A-CAM funding, over two-thirds of these customers will have access to speeds of 25/3 Mbps or greater, and 98 percent will have access to at least 10/1 Mbps. Similarly, after having increased the broadband capacity to schools and libraries in Ponca, Nebraska this past year, in the near future Great Plains will use A-CAM funds to deploy broadband to surrounding rural residential areas, enabling students to enhance their studies at home.

Blackfoot and TDS described the collateral benefits accruing from broadband deployment facilitated by A-CAM Plan funding. As depicted in the attachment, in the case of TDS, funding the A-CAM Plan at \$200/month per location could result in the availability of service of at least 10/1 Mbps to customers in almost three times as many locations in non-A-CAM-eligible areas as will receive 10/1 Mbps or greater service in A-CAM eligible areas.

¹ *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 13775 (2016) (*A-CAM Funding Order and FNPRM*).

² *See id.* at 13779, para. 12.

We emphasized the benefits and efficiencies that would be realized from funding the A-CAM Plan at \$200/month per location this year, including the application of additional, specific build-out obligations. Funding the A-CAM Plan at this level would make broadband at speeds of at least 10/1 Mbps available to at least approximately 46,000 unserved and 25,000 underserved consumers. Such deployment will yield real-world benefits for the rural consumers ardently in need of them. To further underscore these effects, in our meetings Great Plains described how 38 percent of Nebraska's Gross Domestic Product comes from agribusiness, and how A-CAM funding enables Great Plains to extend robust broadband service further to agribusiness-intensive regions of the State.

In a recent series of responses to Congressional correspondence, Chairman Pai reiterated that his "highest priority" is "making sure *every* American who wants high-speed Internet access can get it."³ He also stressed the importance that carriers "have the certainty they need to make the long-term investment decisions that will lead to greater connectivity," and that they have incentives to be "prudent and efficient in their expenditures."⁴ Funding the A-CAM Plan at \$200/month per location this year precisely fulfills these goals.

Funding the A-CAM Plan at \$200/month per location this year, thereby providing A-CAM Plan recipients with certainty regarding the support they will receive over nearly a decade, will in many cases enable them to engineer their networks for speeds of 25/3 Mbps or greater, thus leading to more future-proof deployment than would occur absent such funding. With engineering blueprints completed and attendant administrative costs already having been incurred, A-CAM funding could be devoted directly to fiber in the ground, maximizing the efficiency of those proceeds.

Funding the A-CAM Plan at \$200/month per location this year will also be efficient for the Commission. The deployment obligations accompanying such funding are already established. If the funding is allocated this year, the Commission's work on last year's A-CAM Plan offers is done, placing the ball in the recipients' court to execute. Nearly 70,000 unserved or underserved rural Americans – in addition to tens of thousands more who will reap the collateral benefits accruing from deployment facilitated by A-CAM funding – will, for the first time, enjoy the same digital access as their counterparts in more urban areas.

In sum, funding the A-CAM Plan at \$200/month per location this year is simply good policy. Not a single entity has opposed it. Tens of thousands of unserved or underserved Americans eagerly await it. As we urged in our meetings, the Commission should adopt it.

³ *E.g.*, Letter from Ajit V. Pai, Chairman, FCC, to the Honorable Mike Bost at 1 (Oct. 24, 2017) (emphasis added).

⁴ *Id.*

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Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs
Vice President, Regulatory Affairs

cc: Commissioner Mignon Clyburn
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Claude Aiken
Jamie Susskind
Travis Litman

Attach.

Benefits of A-CAM Funding at Initial Offer Amount

Table 1: TDS Telecom Comparison of August 2016 Offer (Initial Offer) to November 2016 Offer (Accepted Offer).

	Annual Revenue (w/o transition)	Fully-Funded Locations	Partially Funded Locations	25/3 Buildout Obligation	10/1 Buildout Obligation	4/1 Buildout Obligation	Reasonable Request Buildout Obligation	Additional Locations that get at least 10/1 in non-eligible areas
Accepted Offer (\$146+)	\$75,142,854	146,740	12,872	105,717	41,023	5,610	7,262	378,497
Initial Offer (\$200)	\$82,304,225	154,309	5,303	110,959	43,350	2,164	3,139	400,396
Difference	(\$7,161,371)	(7,569)	7,569	(5,242)	(2,327)	3,446	4,123	(21,899)

DISCUSSION: For TDS Telecom, we would receive an additional \$7.1M per year if the A-CAM is funded at the initial offer's funding cap of \$200. With this additional funding, the following benefits could be realized—

- **More locations would get higher speeds:**
 - We would be obligated to provide over 7,500 more locations with speeds of 25/3 and 10/1 because they would now be considered as fully-funded locations instead of partially-funded.
 - These additional locations would also get a new vectoring capable modem with advanced Wi-Fi – 802.11ac, and many of them will be able to get a 50Mbps or better product.
 - By providing higher speeds to these 7,500 locations there will be an additional 22,000 locations that will benefit in non-A-CAM eligible areas in that they will be able to get 10/1 or better service.

- **Build the network faster:** The more funding we get in the initial years will provide us the opportunity to buildout broadband quicker than taking up to 10 years, i.e., the more money we get externally allows us to increase our capital spend in the earlier years.