



March 6, 2018

***VIA ECFS and E-MAIL***

Marlene H. Dortch  
Federal Communications Division  
Office of the Secretary  
445 12th St. SW, Room TW-A325  
Washington, DC 20554

Re: MTA Response to Objections to Section 214 Application

Dear Ms. Dortch:

I write on behalf of Matanuska Telephone Association, Inc. ("MTA") in response to the objections filed to its Section 214 Application, filed on December 15, 2017 and amended on January 3, 2018. MTA believes the objections submitted to the Federal Communications Commission ("FCC" or "Commission") misstate the issue before the Commission and the actions taken by MTA to date. This response also incorporates an informal complaint filed with the Commission on February 21, 2018.<sup>1</sup> We appreciate the opportunity to clarify the record. Rather than go through each objection, we've identified the main issues and responded to them with citation to the objections.

**Current Status.**

As of the filing of this letter, only 62 customers remain connected to the obsolete BETRS system. These customers represent less than one half percent of MTA's total customer base, but MTA remains committed to helping them through this transition. As recognized by several commenters, these 62 customers are spread over 2,000 square miles of incredibly remote and rugged terrain.<sup>2</sup> These premises lack water, sewer, electricity, and access to a road system.<sup>3</sup> To replace the BETRS system would require an extraordinary investment of scarce resources.<sup>4</sup>

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<sup>1</sup> See Informal Complaint filed by Robert McElhaney via FCC customer service number. Email disclosing informal complaint attached as Exhibit A. MTA will provide this response through the informal complaint process as a precaution to make sure all avenues related to this issue are adequately addressed.

<sup>2</sup> See Letter filed by Michael Williams (Feb. 26, 2018) at 1. Duplicate letters were filed by Mr. Kowalke, Mr. Saunders, and Ms. Williams.

<sup>3</sup> *Id.* at 1.

<sup>4</sup> Affidavit of Eric Anderson at 1, attached as Exhibit B. Maintaining the BETRS system is not an option since MTA no longer owns the necessary infrastructure and has contracted to sell the spectrum.

MTA estimates that it annually spends approximately \$5,700 per household connected to BETRS.<sup>5</sup>

Several of the comments argue that the first list of alternative providers was inadequate because service was not available to every BETRS customer.<sup>6</sup> MTA did additional research and identified additional service providers. Hughes Net reached out to MTA and expressed the ability and desire to serve customers currently served by BETRS.<sup>7</sup> MTA sent customers a follow up letter with an amended alternative provider list, including Hughes Net, on February 6, 2018.<sup>8</sup>

### **Need to Discontinue BETRS Service and Sale of Wireless Business.**

MTA understands the frustration expressed by a handful of customers and the Matanuska Susitna Borough Manager. Unfortunately, a confluence of events requires MTA to discontinue BETRS service. Economic and technological realities led MTA to agree to sell its wireless assets and CDMA spectrum in 2017.<sup>9</sup> The transaction for the assets has been closed and MTA no longer owns the wireless towers.<sup>10</sup>

Alaska carriers have come to the same realization as carriers serving the Lower 48, that BETRS service is dangerously obsolete.<sup>11</sup> Carriers have addressed the situation in a variety of ways. Commonly, carriers cease offering the service to new customers and take it out of service as the equipment fails.<sup>12</sup> MTA believes that approach does not serve the needs of its customers nor its ability to provide the service in the long term. MTA respectfully submits that providing a long transition period for customers to find alternative service is highly preferable to waiting for the equipment to fail with no warning and no time to find an alternative service.

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<sup>5</sup> Affidavit of Eric Anderson at 2, attached as Exhibit B.

<sup>6</sup> Williams Letter at 2.

<sup>7</sup> Communication from Mr. William Johnson at Hughes Net is included as Exhibit C.

<sup>8</sup> December Letter and Alternative Provider Attachment included as Exhibit D. February Letter and Alternative Provider Attachment included as Exhibit E. MTA plans to send a third letter in the next week to notify customers that the \$400 payment is extended until March 31, 2018 and provide the alternative provider list again.

<sup>9</sup> See Affidavit of Wanda J. Tankersley, Chief Operations Officer, included as Exhibit F. See also Affidavit of Eric Anderson, Director of Engineering, included as Exhibit B. CDMA technology proved to be inferior to the LTE offerings in the market. MTA decided to exit the wireless business rather than spend millions of dollars to upgrade the network to duplicate existing services in the market.

<sup>10</sup> *Id.* There seems to be a lot of confusion in the comments about who purchased the wireless assets. Verizon was not the purchaser, however the existing infrastructure used by Verizon for its traffic remains on the towers unchanged.

<sup>11</sup> TA188-359, ACS of the Northland – General Rule Revision (BETRS Conditions Revisions), filed November 7, 2016; TA93-249, United Utilities – General Rule Change (BETRS), filed June 22, 2017; TA57-213, Yukon Telephone Company – General Rule Change (BETRS), filed June 22, 2017; TA36-629, United KUC – General Rule Change (BETRS), filed June 22, 2017.

<sup>12</sup> See *Id.*

The Comments express serious concern that following MTA's exit from the BETRS business there will be no cellular wireless service available to remote residents.<sup>13</sup> There is a fundamental misunderstanding about what the MTA service can and cannot provide today and the limited implications that discontinuation of the service will have on cellular wireless. BETRS service is not a mobile cellular service. Although the service relies on old CDMA spectrum, it is not a cellular service in the traditional sense. BETRS is a service that relies on limited spectrum to broadcast point to point to complete a voice call. An approximately 20 foot antenna or about two stories is mounted on the customer's home to capture the signal. The service is the most basic of telephone services and only used in the most remote locations in the nation.

MTA's application to discontinue BETRS service does not impact the availability of cellular service, but a better understanding of why MTA discontinued its use of CDMA and exited the wireless business may provide some context. Virtually all cellular carriers are transitioning away from CDMA technology to the more vibrant and versatile LTE technology.<sup>14</sup> MTA's network used the less dynamic CDMA and it was more beneficial to the cooperative to exit the business than attempt to transition to LTE and compete with the larger carriers in the market.<sup>15</sup> LTE is a more data rich platform than CDMA so LTE coverage typically has a shorter reach from the tower.<sup>16</sup> In October, pursuant to its exit of the wireless business, MTA discontinued access to its CDMA spectrum for wireless users.<sup>17</sup> MTA cannot speak to the specific details of how or when the purchaser of MTA's spectrum will use it.

### **Service Alternatives to BETRS.**

MTA researched service alternatives and provided a list to its customers with notice in December 2017.<sup>18</sup> Most of MTA's BETRS customers have already disconnected and chosen an alternative. A handful of customers expressed concern with the viability of the initial alternatives identified by MTA. In response, MTA did additional research and identified two additional options. MTA sent a follow up letter with an updated alternative carrier list to all BETRS customers.<sup>19</sup>

Most BETRS customers can receive mobile wireless service. MTA believes that even for those outside the traditional service territory it may be possible to amplify and extend cellular

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<sup>13</sup> Williams Letter at 3 (referencing broad impact on recreational users in the area) and Borough Letter at 2 (referencing "essential wireless service needed by our citizens.").

<sup>14</sup> Even the FCC recognizes the value of LTE technology by choosing it as a preferred technology for first responders and allowing testing of LTE devices in the 5 GHz band. See <https://www.fcc.gov/news-events/blog/2017/02/22/oet-authorizes-first-lte-u-devices>.

<sup>15</sup> The Commenters erroneously assert that MTA sold its wireless business to Verizon. That is not correct. MTA had a resale relationship with Verizon so many customers chose to migrate to Verizon when MTA discontinued its business. MTA did not sell its customer base to Verizon.

<sup>16</sup> Affidavit of Eric Anderson at 2.

<sup>17</sup> MTA believes this is the action referenced by the Comments. See Letter of Mr. Williams at 2-3. The turndown of the CDMA network had an inadvertent impact on the geographic reach of Verizon's service when it could no longer roam on the outdated technology.

<sup>18</sup> See Attachment to MTA December Customer Letter, included at Exhibit D.

<sup>19</sup> See Attachment to MTA February Customer Letter, include at Exhibit E.



coverage by mounting an antenna of similar height with the correct equipment. MTA has urged customers to work with GCI or Verizon, depending on their location, to investigate and implement this solution.<sup>20</sup>

The most vocal of MTA's objections comes from Mr. Williams, a peony farmer who is concerned about the loss of service.<sup>21</sup> MTA has worked diligently with Mr. Williams to find an alternative service. Given the remoteness of Mr. Williams' location, satellite service may be his most reliable alternative. Mr. Williams does not want satellite service, but that objection does not override MTA's legal right to discontinue an obsolete service.

The Borough Manager also raises concerns about the alternative providers available to BETRS customers.<sup>22</sup> The letter reiterates the concerns raised by Mr. Williams. MTA has explained to the Borough that not all of the alternatives services work for every BETRS customer, but at least one of the solutions will work, even if it is satellite service. Hughes Net has assured MTA that it can provide voice service to all of the BETRS locations.<sup>23</sup> The terrain is difficult to serve, which is why the BETRS service requires a tall antenna to function. BETRS customers may need to make similar accommodations to receive service from an alternative provider, but that does not make the alternative unworkable.

The Borough Manager raises concerns about the illustrative map that MTA provided as Exhibit D to its Application. MTA apologizes that the Exhibit was inadvertently omitted from its December Application, but it was a visual aid not a legal requirement. MTA acknowledges that the map does not provide individually identifiable customer information requested by the Borough, but MTA is constrained by CPNI rules and cannot provide the Borough the level of customer detail it seeks.<sup>24</sup> The map was provided for illustrative purposes to give the FCC a better understanding of the remote territory subject to MTA's Application. MTA appreciates the Borough's desire to view a map plotting BETRS customers with available service providers, but that information is beyond the scope of what MTA can provide. Additionally, as discussed above, modifications to receiving equipment may be able to substantially boost the service area beyond a traditional service map.

Several objections reference general public safety concerns with the discontinuation of BETRS service. Most of the concerns relate to a lack of cellular reception in the area. Respectfully, the discontinuation of BETRS has no impact on cellular reception. Some objections are concerned about the ability to reach emergency services. MTA shares that concern and it was that concern that motivated MTA to research and identify alternative providers. MTA continues to believe that at a minimum, satellite connection is available to all BETRS customers and no one will be

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<sup>20</sup> MTA is reviewing the United States Postal Service comment about spotty wireless service. See USPS Comment (Mar. 6, 2018). It is unclear from the brief comment whether or not the USPS has investigated alternative service providers.

<sup>21</sup> See Letters filed by Mr. Williams (Feb. 26, 2018).

<sup>22</sup> See Letter from Matanuska Susitna Borough Manager John Moosey.

<sup>23</sup> Communication from Mr. William Johnson at Hughes Net is included as Exhibit C.

<sup>24</sup> See 47 C.F.R. § 64.2001 *et seq.*



without connection to emergency responders.<sup>25</sup> MTA appreciates the increased expense involved in satellite service, but the cooperative has been substantially subsidizing BETRS service. The actual cost for the service far exceeds the cost of a satellite service.<sup>26</sup>

## **No Implications for the Alaska Plan.**

Mr. William's supplemental comment suggests that MTA's discontinuation of BETRS service may violate some requirements of the Alaska Plan.<sup>27</sup> Quite to the contrary, the Alaska Plan prohibits MTA from spending the thousands of dollars per location necessary to provide service.<sup>28</sup> Nor does BETRS service qualify for high cost support given its quality and non-dominant status.<sup>29</sup> MTA made aggressive commitments to expand broadband service under its Alaska Plan obligations and it is honoring those commitments.<sup>30</sup> Even if MTA could continue to provide BETRS service, there is no federal high cost support available to do so.<sup>31</sup> Charging the actual cost of BETRS service to the customer would result in an average monthly bill of approximately \$500.

## **An Obsolete Non-Dominant Service Coupled With MTA's Response Justify Approval of its Discontinuation Application.**

MTA appreciates the concerns about transitioning from BETRS to a new service. MTA has respectfully tried to make the transition easier and less impactful for their customers. MTA is offering \$400 financial support. MTA intends that money to help purchase alternative equipment or service, but it is at the discretion of the customer. MTA gave six months of notice to its customers, a substantial amount of time to choose an alternate provider. MTA sent two customer mailings that included substantial information on alternative providers. MTA has worked diligently with customers to investigate alternative services. These efforts are above and beyond what are required by law.

The requests made by the Commenters are generally not feasible and should be rejected.

- **Do Not Terminate Service.**<sup>32</sup> The Borough Manager requests a one year extension to allow 215 customers to transition to another service. MTA lacks the infrastructure to

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<sup>25</sup> The ability to connect with emergency personnel unfortunately does not guarantee a prompt response since these Alaskans live far off with road system with limited accessibility.

<sup>26</sup> Affidavit of Eric Anderson at 2, attached as Exhibit B.

<sup>27</sup> Second Letter of Mr. Williams (Feb 26, 2018) at 1. "If the FCC approves this request, Matanuska Telephone Association may be violating some of the stipulations of FCC 16-155 Connect American Fund: Universal Service Reform Mobility Fund; connect America Fund – Alaska Plan, adopted August 23, 2016."

<sup>28</sup> See In re Connect America Fund—Alaska Plan; Report and Order (Aug. 31, 2016) ("Alaska Plan Order") [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-16-115A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-115A1.pdf).

<sup>29</sup> Alaska Plan Order at para. 9. Locations funded by the Alaska Plan must offer "at least one voice service and one broadband service."

<sup>30</sup> See FCC Public Notice: Wireline Competition Bureau Authorizes Alaska Plan Support (Dec. 21, 2016). MTA's performance obligations and detailed in Exhibit B.

<sup>31</sup> Tankersley Affidavit at 1-2.

<sup>32</sup> See Letter from Matanuska Susitna Borough Manager John Moosey at 3.



maintain BETRS service beyond June 1, 2018. MTA provided six months' notice and the fact that only 62 customers remain after just a couple months suggest that amount of transition is more than adequate.

- **Certify Service By Alternative Providers.**<sup>33</sup> The Borough Manager requests that the Commission require MTA to certify that alternative providers can serve BETRS customers. That exceeds legal requirements and MTA's technical ability. MTA already certified to the Commission that it believes that alternative providers are available and provided the reassurance of an alternative provider that they can and will provide service.
- **30 Day Extension of Public Notice.**<sup>34</sup> The Borough Manager requests a 30 day extension of the public notice period to further its investigation. MTA respectfully asserts that the Borough has no role in investigating the availability of service alternatives. The record has been developed for the Commission's consideration. That said, MTA does not object to a 30 day extension to assuage the concerns raised by the objections and any lingering questions by the Commission.
- **Instruction to Work With Customers.**<sup>35</sup> Mr. Williams' Letter requests that the Commission direct MTA to work with its BETRS customers to develop alternative services. MTA has and will continue to work with its customers to explore service alternatives.<sup>36</sup> It is possible that satellite service may be the only alternative for some customers.

MTA respectfully requests authority to discontinue BETRS service as of June 1, 2018. MTA has gone above and beyond to minimize the inconvenience of this transition, including financial and transition support. The existing technology is obsolete and cannot be replaced. MTA has demonstrated that adequate alternatives exist and its Application should be granted.

Very truly yours,

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<sup>33</sup> See Letter from Matanuska Susitna Borough Manager John Moosey at 3.

<sup>34</sup> See Letter from Matanuska Susitna Borough Manager John Moosey at 3

<sup>35</sup> See Letters filed by Mr. Williams (Feb. 26, 2018) at 3.

<sup>36</sup> Tankersley Affidavit at 2.