



REDACTED FOR PUBLIC INSPECTION

Your business  
is our business.

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**VIA HAND DELIVERY**

**FILE  
STAMP  
COPY**

April 15, 2019

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

**Accepted / Filed**

**APR 15 2019**

Attention: Wireline Competition Bureau

Federal Communications Commission  
Office of the Secretary

**Re: Lakeland Communications Group, LLC Petition for Waiver of Sections  
51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

On behalf of Lakeland Communications Group, LLC, please find enclosed the Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges and 2011 Base Period Revenue in connection with merger of affiliated study areas in Wisconsin.

Inquiries may be directed to the undersigned consultant for Lakeland Communications Group, LLC.

Sincerely,

John Kuykendall  
Vice President  
[jkuykendall@isitel.com](mailto:jkuykendall@isitel.com)

Enclosures

Echelon Building II, Suite 200  
9430 Research Blvd., Austin, TX 78759  
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April 15, 2019

**By Hand Delivery**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

**Re: Request for Confidentiality  
Lakeland Communications Group, LLC Petition for Waiver of Sections  
51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

JSI, on behalf of its client, Lakeland Communications Group, LLC ("Company"), hereby requests, pursuant to Section 0.459 of the Commission's rules,<sup>1</sup> withholding from public inspection of the above referenced document. The Company provides the following in support of its request, numbered consistent with the subparagraphs of Section 0.459(b).<sup>2</sup>

1. The information for which the Company is seeking confidential treatment is switched access revenue, cost, demand, access line and eligible recovery details contained in the Petition and the accompanying Exhibits A and B.
2. The Company is submitting the Petition for Waiver in order to implement the planned merger of two commonly-owned study areas. The Petition for Waiver is required to ensure compliance with FCC rules governing modification of access rate bands and charges and 2011 Base Period Revenue.<sup>3</sup>
3. The switched access revenue, cost, demand, access line and eligible recovery details in the Petition for Waiver for which the Company seeks the withholding from public inspection is confidential and proprietary financial data.
4. With respect to identifying the degree to which the Company's financial information concerns a service that is subject to competition, this type of information is highly sensitive and its public disclosure would place the Company at a competitive disadvantage in the telecommunications marketplace.

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<sup>1</sup> 47 C.F.R. § 0.459.


<sup>2</sup> 47 C.F.R. § 0.459(b)(1) through (9).

<sup>3</sup> 47 C.F.R. § 51.909(a), § 51.917(b)(1) and (b)(7)

5. With respect to identifying possible exposure to competitive harm, this information is provided on a study area-specific basis and could have economic value to potential competitors as it may provide competitors insight into the Company's market strategies and gain competitive advantage.
6. With respect to steps the Company has taken to ensure against unauthorized disclosure of its financial information, this information is maintained confidentially by the Company and is not available through any source other than the Company or its authorized agents.
7. The Company's financial information is not available to the public and has not been previously disclosed.
8. The Company requests the financial information be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
9. The Commission has previously found that this type of information warrants protection under Protective Order for annual access tariff filings in which similar financial data is provided.<sup>4</sup>

Based on the preceding, JSI respectfully requests on behalf of the Company that the Commission grant confidential treatment under Section 0.459 to the switched access revenue, cost, demand, access line and eligible recovery data contained in the Company's Petition for Waiver and Exhibits. The Petition for Waiver is appropriately marked "Confidential-Not for Public Disclosure". Please contact the undersigned with any questions regarding this request.

Sincerely,



John Kuykendall  
Vice President  
301-459-7590  
[jkuykendall@jsitel.com](mailto:jkuykendall@jsitel.com)

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<sup>4</sup> See *Announcing Procedures for Obtaining Confidential Information for 2018 Annual Access Charge Tariff Filings and Corrections to TRP Spreadsheets*, WC Docket No. 18-100, Public Notice DA 18-578, rel. June 4, 2018.

REDACTED FOR PUBLIC INSPECTION

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of )  
 )  
Lakeland Communications Group, LLC )  
 )  
Petition for Waiver of Sections 51.909(a), )  
51.917(b)(1) and 51.917(b)(7) of the Commission's )  
Rules to modify access rate bands and charges, )  
and 2011 Base Period Revenue in connection with )  
merger of affiliated study areas in Wisconsin. )

**PETITION FOR WAIVER  
OF PART 51 ACCESS CHARGE AND CONNECT AMERICA FUND-  
INTERCARRIER COMPENSATION CALCULATIONS**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission ("FCC" or "Commission"),<sup>1</sup> Lakeland Communications Group, LLC, ("Lakeland" or the "Company") hereby requests a waiver of the Commission's Section 51.909(a) rules<sup>2</sup> to recalculate the rate bands and charges for local switching, tandem switching and dedicated transport services for two commonly-owned study areas in the same state—Study Area Code 330902 ("Luck SAC") and Study Area Code 330910 ("Milltown SAC").<sup>3</sup> Lakeland also seeks waiver of Sections 51.917(b)(1) and 51.917(b)(7) of the rules to recalculate for the same combined study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Carrier Base Period Revenue necessary to determine Connect America Fund-Intercarrier Compensation ("CAF-ICC")

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<sup>1</sup> 47 C.F.R. § 1.3.

<sup>2</sup> 47 C.F.R. § 51.909(a).

<sup>3</sup> Luck Telephone Company and Milltown Mutual Telephone Company merged in 2013 to form Lakeland Communications, LLC. As explained herein, subsequent to grant of this waiver petition, Lakeland will consolidate the two study areas pursuant to FCC precedent which allows commonly-owned study areas within a state to merge.

support.<sup>4</sup> Grant of this waiver will allow Lakeland to consolidate the Luck SAC and the Milltown SAC which it plans to do effective January 1, 2020, adding the efficiencies of administering a single cost study and other regulatory compliance for a single study area. Accordingly, grant of this petition will advance the public interest.

## **I. INTRODUCTION AND SUMMARY**

Lakeland is a rate-of-return cost incumbent local exchange carrier (“ILEC”) whose ILEC service territory in Wisconsin is comprised of two study areas – the Luck SAC and the Milltown SAC. The Luck SAC serves rural northwestern Wisconsin, and operates approximately 1,224 voice access lines and 633 Consumer Broadband-Only Loop (“CBOL”) access lines in the Cushing and Luck, exchanges. The Milltown SAC is comprised of the rural northwestern Wisconsin exchanges of Fox Creek and Milltown, and operates approximately 1,114 voice access lines and 708 CBOL access lines in the foregoing two exchanges.

Luck Telephone Company and Milltown Mutual Telephone Company (“Lakeland ILECs”), each independently formed in 1908, have been under common ownership since 1997. In 1997, the Lakeland ILECs merged under the Lakeland Communications, Inc. holding company. Lakeland’s operating companies merged their legal entities in 2013 with Luck Telephone Company as the surviving company and the entity name was changed to Lakeland Communications Group, LLC. However, the Luck SAC and Milltown SAC have remained as separate study areas since 1997. Both study areas are administered as cost companies receiving legacy support. To allow Lakeland the

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<sup>4</sup> 47 C.F.R. § 51.917(b)(1) and (b)(7).

efficiency of managing switched access and CAF-ICC compliance for a single study area, the Company plans to merge the Luck SAC and the Milltown SAC into a single study area—the Luck SAC 330902—effective January 1, 2020.<sup>5</sup> However, as explained below, grant of this petition is required in order for the consolidation to occur.

As shown below, the Luck SAC and Milltown SAC are in differing rate bands for switched access local transport services in the National Exchange Carrier Association (“NECA”) Tariff F.C.C. No. 5. Accordingly, the Company seeks waiver of Section 51.909(a) of FCC rules in order to establish consolidated rate bands and access rates for the merged study area.

	<b>Local Switching</b>	<b>Local Transport</b>	<b>Tandem Switched Transport</b>
<b>Lakeland-Luck SAC 330902</b>	Rate Band 1	Rate Band 8	Rate Band 1
<b>Lakeland-Milltown SAC 330910</b>	Rate Band 4	Rate Band 10	Rate Band 1

In addition, the Company seeks waiver of Section 51.917(b)(1) to combine the 2011 Interstate Access Switched Access Revenue Requirements for the combined study areas into a consolidated 2011 Interstate Access Switched Access Revenue Requirement, and waiver of Section 51.917(b)(7) to combine the 2011 Rate-of-Return Base Period Revenues for the combined study areas into a single 2011 Rate-of-Return Base Period Revenue amount for the merged study area.

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<sup>5</sup> Subsequent to grant of the requested waiver, the Company will file with the FCC Wireline Competition Bureau a letter notification of the planned merger of commonly-owned study areas within the state of Wisconsin pursuant to FCC precedent.

## **II. WAIVER STANDARD**

In general, the FCC's rules may be waived for good cause shown.<sup>6</sup> Waiver is appropriate where the "particular facts would make strict compliance inconsistent with the public interest."<sup>7</sup> The FCC may grant a waiver of its rules where the requested relief would not undermine the policy objective of the rule in question, special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.<sup>8</sup>

## **III. WAIVER IS JUSTIFIED**

### **A. Merger of Luck SAC and Milltown SAC is in the Public Interest**

The planned merger of the Luck SAC and Milltown SAC is consistent with Commission policy encouraging consolidation of commonly owned study areas in the same state.<sup>9</sup> Further, Commission precedent supports grant of petitions seeking waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) in the context of merging commonly-owned study areas within a state.<sup>10</sup> Based upon this policy and precedent, the public interest indeed would be served with expeditious grant of this petition.

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<sup>6</sup> 47 C.F.R. § 1.3.

<sup>7</sup> See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*").

<sup>8</sup> See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

<sup>9</sup> See *In the Matter of American Samoa Government and the American Samoa Telecommunications Authority Petition for Waivers and Declaratory Rulings to Enable American Samoa to Participate in the Universal Service High Cost Support Program and the National Exchange Carrier Association Pools and Tariffs*, CC Docket No. 96-45, AAD/USB File No. 98-41, Order DA 99-1131, rel. June 9, 1999, para. 10.

<sup>10</sup> See *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Petition of Butler-Bremer Mutual Telephone Company, Inc. for a Waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Switched Access Revenue in connection with merger of affiliated*

Additionally, the public interest is served by the increased administrative and operational efficiencies gained by consolidating these study areas. Grant of the requested waiver prior to the planned January 1, 2020 study area merger will allow Lakeland to fully realize the benefits of its existing single-entity operations by adding the efficiencies of administering a single cost study and other regulatory compliance for a single study area.

**B. Minimal Impact of Switched Access Rate Band Consolidation**

As indicated at Exhibit A, the consolidation would not result in significant rate band changes as proposed for switched access rate elements. While revenues will increase in some instances and decrease in others, the overall impact on switched access revenue is minimal. Based on the internal estimates, the company expects a net decrease of approximately [REDACTED] annually, which represents about 3.0% of total projected billed revenues of [REDACTED] shown on Exhibit B.

**C. Recalculation of 2011 Interstate Switched Access Revenue Requirement and Base Period Revenue Will Not Adversely Impact CAF-ICC**

Exhibit B provides a summary of the expected CAF-ICC support as calculated by NECA, and reflects combined data for the Luck SAC and Milltown SAC. Access

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*Study areas in Iowa, WC Docket No. 15-118, Petition of Panora Communications Cooperative and Prairie Telephone Company, Inc. for Waiver of Sections 51.909(a), 51.917(b)(1), 51.917(b)(2), and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Switched Access Revenue Requirement and 2011 Base Period Revenue in connection with study area waivers in Iowa, WC Docket No. 15-166, Order, DA 18-107, rel. Feb. 5, 2018. See also In the Matter of Connect America Fund, WC Docket No. 10-90, Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Telapex, Inc. Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in Mississippi, WC Docket No. 17-252, Venture Communications Cooperative Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in South Dakota, WC Docket No. 17-323, Order, DA 18-1243, rel. Dec. 11, 2018 ("Franklin-Delta & Venture Merger Order").*

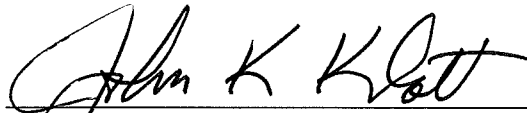


Recovery Charges will remain unchanged and therefore will have no impact on CAF-ICC or on end users. As described above, the company expects a reduction of switched access revenue of approximately [REDACTED] per year, which will be replaced with CAF-ICC support. NECA projections indicate that the combined entity would receive [REDACTED] of CAF-ICC support, absent any changes to switched access rates, and as such, this change would represent a very small 2.0% increase in CAF-ICC for the test period.

#### IV. Conclusion

As demonstrated herein, "good cause" exists for grant of this waiver. The minimal impact to carrier billing and CAF ICC support combined with the operational efficiencies of managing switched access and CAF ICC compliance for a single, consolidated study area provide the Commission with a clear path to grant the requested waiver. The Company respectfully requests the Commission act expeditiously to grant waiver of Section 51.909(a), 51.917(b)(1) and 51.917((b)(7) of the rules in order that the Luck SAC and Milltown SAC consolidation may be implemented January 1, 2020.

Respectfully Submitted,



By: Mr. John K. Klatt, President and CEO  
Lakeland Communications Group, LLC  
825 Innovation Avenue  
P.O. Box 40  
Milltown, WI 54858

April 12, 2019

# Rate Band Placement

## Local Switching

sar_id	sar_abbr	TP 201112 LSRRQ	LS Cost per Minute	TP 201112 LS Band	TP 201112 Forecasted Minutes
330902	LAKELAND-LUCK			1	
330910	LAKELAND-MILLTOWN			4	
Combined Company				2	

Test Period 201112 (interstate frozen baseline) is from July 1, 2011 through June 30, 2012.

All Local Switching RRQ, Forecasted Minutes and Rate Band placements are from NECA's 2011 Annual Filing.

## Tandem Switching

sar_id	sar_abbr	TP 201112 RRQ	TP 201112 Revenue	Retention Ratio	TP 201112 Band Placement
330902	LAKELAND-LUCK			0.00353	1
330910	LAKELAND-MILLTOWN			0.00132	1
Combined Company				0.00240	1

All Tandem Switching RRQ, Revenue and Rate Band placements are from NECA's 2011 Annual Filing.

## Dedicated Transport

sar_id	sar_abbr	RRQ	Revenue	Retention Ratio	Band Placement
330902	LAKELAND-LUCK			1.08467	8
330910	LAKELAND-MILLTOWN			1.34325	10
Combined Company				1.15416	9

Dedicated transport rate band is the same as the Special Access rate band for the test period July 1, 2011 through June 30, 2012.

All Dedicated Transport RRQ, Revenue and Rate Band placements are from NECA's 2011 Annual Filing.

EXHIBIT B

Test Period 2018/2019 (Data are based on input provided by company in the CAF ICC Data Collection)

Interstate

sarid	RRQ	CurrentEORate	ProposedEORate	CurrentCompositeRate	ProjectedMin	ProCurentRev	TermLSMin	TermRevCurrent	TermRevProj	ProjectedRev	AllocatedRev	InterER
330902		\$0.003567	\$0.002133	\$0.023352								
330910		\$0.003567	\$0.002133	\$0.030167								
Combined		\$0.003567	\$0.002133	\$0.026598								

Intrastate

sarid	YR1ActualRev	RRQ	TPForecastedMin	TPExpRev	TPIntrastateER
330902					
330910					
Combined					

CMRS

sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRev	RRQ	CMRS_ER
330902				
330910				
Combined				

Non\_CMRS

sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRev	RRQ	CMRS_ER
330902				
330910				
Combined				

Exogenous Costs (not available for Average Schedule Company)

sarid	TRS_Increment	Reg_Fees_Increment	NANPA_Increment	Total
330902				
330910				
Combined				

Residential ARC and Revenues

sarid	SAR_ABBR	ExchangeName	Res Lines	Res_ARC Rev	RESARCRate
330902	LAKELAND-LUCK	Cushing			\$3.00
330902	LAKELAND-LUCK	Luck			\$3.00
330910	LAKELAND-MILLTOWN	Fox Creek			\$3.00
330910	LAKELAND-MILLTOWN	Milltown			\$3.00

ARC Rate and Revenue

sarid	Res Lines	SLB Lines	MLB Lines	Res_ARC Rev	SLB_ARC Rev	MLB_ARC Rev	Total ARC Rev	RESARCRate	SLBARCRate	MLBARCRate
330902								\$3.00	\$3.00	\$3.00
330910								\$3.00	\$3.00	\$3.00
Combined								\$3.00	\$3.00	\$3.00

Net Impact of True-Up, Pre and Post ER and CAFICC

sarid	ER_pretrueup	RESARC_pretrueup	SLBARC_pretrueup	MLBARC_pretrueup	TotalARC_pretrueup	CAFICC_pretrueup	Net Impact_True Up	ER	RESARC	SLBARC	MLBARC	TotalARC Rev	CAFICC
330902													
330910													
Combined													

Revised CAF ICC Support Reduced by Imputed ARC Revenues on Broadband-only Lines

sarid	CAFICC	Broadband-only Lines	Imputed ARC Revenues_BOLines	Total ARC Revenues_TP1516	Limited Imputed ARC Revenues_BOLines	Revised CAF ICC Support
330902						
330910						
Combined						