

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

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92

**PETITION FOR RECONSIDERATION
GRAND RIVER MUTUAL TELEPHONE CORPORATION**

Grand River Mutual Telephone Corporation (“GRM” or the “Cooperative”), pursuant to Section 1.429 of the rules and regulations of the Federal Communications Commission (“FCC” or “Commission”) hereby seeks reconsideration of the FCC’s March 23, 2018 Report and Order, wherein the FCC provides additional support to fund model-based broadband deployment.¹ GRM applauds the Commission for taking such an important step to increase funding for rural broadband deployment, and acknowledges the positive impact that the additional \$36.5 million in Alternative Connect America Model (“A-CAM”) funding will have on rural and remote communities nationwide. However, GRM urges the FCC to reconsider its decision in one very specific and limited matter: making a minor increase in the amount of additional A-CAM support to provide funding for the locations which were precluded from receiving support due to an

¹ See *Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking*, WC Docket Nos. 10-90, 14-58, 07-135, CC Docket No. 01-92 (rel. March 23, 2018), FCC 18-29 (“2018 USF Orders” and “USF NPRM”).

inadvertent clerical error. At the very least, the Commission should seek comment on including these abandoned locations in the *USF NPRM* as it considers additional A-CAM funding opportunities. If the FCC were to grant this petition and extend the requested funding, GRM would commit to meet a significantly higher buildout obligation as it is prepared to deploy a Fiber-to-the-Home connection to every existing location GRM currently serves in the affected census blocks - if it receives the funding.

I. Introduction

GRM provides service in Missouri and Iowa and accepted A-CAM support for its Missouri operations. GRM's ILEC operations in Missouri are extremely rural in nature, spanning over 2900 square miles and including 32 exchanges over 12 counties in northern Missouri. GRM has approximately 3.46 access lines per square mile.

GRM was shut out of a large portion of the A-CAM funding, that it was initially eligible for, prior to the final offer to rate-of-return ILECs on August 3, 2016,² due to an inadvertent clerical error with its June 2015 Form 477 data. GRM strives for accuracy in all that it does. Due to known errors in the National Broadband Map and due to the fact that GRM did not have census block maps showing the census block numbers of over 11,400 census blocks contained within its three study areas, the Cooperative hired an engineering firm to provide the information required to complete the June 2015 Form 477. The engineering firm provided separate Excel spreadsheets listing the census blocks that were fiber-only and the census blocks that were copper-only. After A-CAM v2.3 was released, eliminating fiber-served blocks from support, GRM reviewed the results by looking at maps prepared by its consultants showing which blocks were eligible for support. The Cooperative then realized that many of the blocks were incorrectly

² See *Wireline Competition Bureau Announces Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband*, WC Docket No. 10-90 (rel. August 3, 2016), DA 16-869, ("A-CAM Offer Public Notice").

listed in the fiber deployment spreadsheet provided by the engineering firm that had been used for the Form 477 reports. The result was that blocks were reported as having fiber when they do not.

Due to this inadvertent error, there were 747 locations that should have qualified for A-CAM support but were excluded from receiving any support. Upon making this discovery, GRM revised its Form 477 in September 2016, and subsequently filed a petition for waiver seeking inclusion of its revised Form 477 data that would expand the number of A-CAM eligible blocks in its study area.³ The FCC, however, denied its petition.⁴ Subsequently, GRM conducted *ex parte* meetings with FCC staff urging the Commission to provide funding for these locations as well as locations served by other carriers which received no funding due to clerical errors.⁵ GRM estimates that due to the denial of its waiver, the 747 locations that were excluded from funding should have received approximately \$950,000 per year based upon the revised offer made to GRM. When the funding made available in the *2018 USF Orders* is taken into account, which allows funding to be at the \$146.10 capped level, the resulting amount is approximately \$990,000 per year.

Accordingly, the facts and arguments regarding the need to provide funding for these abandoned locations have been previously submitted to the Commission and, as demonstrated by statements made in the *ex parte* meetings, were not rejected.⁶ By granting this petition, the FCC

³ See Grand River Mutual Telephone Corporation, Petition for Waiver of Deadline to Submit Form 477 Revisions, WC Docket No. 10-90, CC Docket No. 01-92, WC Docket No. 14-58, filed Sept. 23, 2016. (“GRM Waiver”).

⁴ See *Order*, WC Docket No. 10-90, (rel. Oct. 20, 2016), DA 16-1204 at ¶ 7.

⁵ See Letter from Larry D. Thompson, Vantage Point Solutions, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed April 21, 2017); Letter from Dustin Johnson, Vantage Point Solutions, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 90 (filed June 15, 2017) (“June 15, 2017 *ex parte* letter”); Letter from Larry Thompson, Vantage Point Solutions, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed June 29, 2017).

⁶ See June 15, 2017 *ex parte* letter. In the meeting, Commission staff indicated a willingness to provide the funding if new opportunities for funding were to become available.

can rectify the omission it made in the *2018 USF Orders* and *USF NPRM* in not including funding for these locations.

II. The 2018 USF Orders Should be Modified to Allow for Inclusion of Funding for the Locations that Were Excluded Due to the Inadvertent Clerical Error

Granting this Petition advances the public interest by enabling an additional 747 locations in rural Missouri to receive broadband. As set forth in the *2018 USF Orders*, the Commission will offer additional A-CAM funding up to \$146.10 per location to all carriers that accepted the revised offer for their 10-year support term. Taking this action will “shift” locations that are currently funded at the 4/1 or reasonable request level to receive broadband at 10/1 or 25/3. Specifically, the FCC estimates that by increasing the per-location cap to a uniform \$146.10, the number of additional locations that will receive 25/3 Mbps broadband over 10 years could be more than 17,700 with another 14,000 locations receiving 10/1 Mbps.⁷ In order to “shift” these locations to receive higher broadband speeds, the FCC will add \$36.5 million to the A-CAM budget.

GRM intends to accept this offer and is already adjusting its buildout schedule to ensure that the affected locations in its funded census blocks receive the higher speeds as promptly as possible. However, the 747 locations eliminated from funding will not be eligible for the additional funding. On the contrary, absent grant of this Petition, these locations will continue to be excluded from any high-cost universal service support. Accordingly, any increase in A-CAM funding should actually go first to these locations so that these individuals would at least receive the same level of broadband offered to all other locations whose carriers accepted the revised offer. As that did not occur in the *2018 USF Orders*, the FCC should reconsider its decision and

⁷ See *2018 USF Order* at ¶ 67.

include an additional \$990,000 to the \$36.5 million that it has made available for the ten-year period.⁸

Such a minor increase is already supported in the record. In its *2018 USF Orders*, the FCC cites the “ample support in the record from carriers and state government officials, as well as from members of Congress” for increasing the A-CAM budget.⁹ This support was provided in the context of the additional \$110 million which the FCC estimated that it would need to increase the overall high-cost budget if all carriers electing the A-CAM offer were “fully funded” using the \$200 per location funding cap.¹⁰ The expectation that a relatively small investment in USF support can yield thousands of new broadband subscribers is clearly understood by the FCC and a myriad of stakeholders who encouraged the FCC to provide additional funding for A-CAM companies, and the same widely-supported expectation should be applied to GRM’s very specific situation as well. If the FCC agreed to provide additional funding for all A-CAM recipients so that more funded locations could receive 10/1 or even 25/3 Mbps broadband, why wouldn’t it follow that the FCC should provide additional funding for GRM to ensure that its 747 unfunded rural locations can receive broadband? There is a well-documented record in the proceeding leading up to the *2018 USF Orders* that increasing A-CAM funding will help achieve the intent of the FCC, Congress and the Presidential Administration to increase rural broadband deployment and stimulate rural economies. GRM urges the FCC apply the same rationale to these abandoned locations.

⁸ While this petition seeks that the additional funding allocated to A-CAM be increased to \$37.45 million per year for the 10-year term, some carriers may choose to not accept the offer. Accordingly, the result of granting this petition may result in an additional funding which is lower than this amount.

⁹ See *2018 USF Order* at ¶ 66.

¹⁰ *Id.* at ¶ 65.

Further, if the FCC were to grant this petition and extend the requested funding, GRM is prepared to deploy a Fiber-to-the-Home connection to every existing location GRM currently serves in the unfunded blocks in the affected exchanges, Bethany and Princeton, and offer the speeds of at least 25 Mbps down/3 Mbps up.

For reasons described herein, GRM respectfully requests that the FCC reconsider its decision and include a minor increase in A-CAM funding to allow for inclusion of these 747 abandoned locations.

III. At the Very Least, the FCC Should Seek Comment on Including Funding for the Locations in its NPRM

If the FCC decides not to reconsider the level of additional funding, at the very least the Commission should reconsider the proposals regarding additional A-CAM on which it seeks comment in the *USF NPRM*. The FCC should seek comment on adding \$990,000 over 10 years for the 747 locations in GRM's service area that were denied funding. Specifically, funding these locations should be included in proposals that consider a new A-CAM offer for glidepath and/or for non-glidepath carriers. GRM has rural customers who need broadband, and the Cooperative believes that the A-CAM is the most efficient and reliable way to ensure that their most rural customers are not left behind in the digital divide.

In the *USF NPRM*, the FCC asks a number of questions about extending a new model offer, including which carriers should be eligible to participate. In seeking comment on whether to extend a new model offer, the FCC proposes to "update the broadband coverage data with the most recent publicly available FCC Form 477 data prior to any additional offer of support."¹¹ Should the FCC proceed with extending a new model offer based on the most recent FCC Form 477 data, it will find that GRM would be eligible for considerably more funding in these 246

¹¹ See *USF NPRM* at ¶ 123.

census blocks, due to the fact that it corrected the clerical error that prevented it from obtaining the amount of A-CAM support it should have received. The rural missing locations that would have been funded have not been served with 10/1 Mbps or greater broadband in the interim. Further, GRM does not agree with the FCC's proposal to limit the new model offer to legacy carriers only. GRM urges the Commission to develop a mechanism for it to receive A-CAM support for this clerical error in the future, if a new offer is released.

Further, the FCC seeks comment on "using additional headroom in the budget to offer the carriers that accepted the revised offer of A-CAM support in 2017 the fully funded amount, using a per-location funding cap of \$200 per location."¹² GRM points out the Commission's acknowledgement of "additional headroom in the budget" and believes that if the FCC develops a mechanism for the Cooperative to receive funding for the abandoned locations, such funding will not have a negative impact on the overall budget for this additional funding, which the FCC anticipates could be \$66.6 million per year for the ten-year term.¹³

IV. Conclusion

As demonstrated herein, the public interest would be advanced by the FCC immediately increasing the \$36.5 million annual amount that it has made available for the ten-year period to include \$990,000 per year to fund the 747 locations that receive no A-CAM or legacy support due to an inadvertent clerical error. The entire exchanges will be built out with fiber, and all locations will be offered speeds of at least 25 Mbps down/3 Mbps up. At the very least, in the preliminary stages of developing an ongoing path forward with the A-CAM via additional

¹² See *USF NPRM* at ¶ 143.

¹³ *Id.* As indicated in paragraph 143, if the Commission moves forward with the additional offer using a per-location funding cap of \$200, carriers could voluntarily elect to take the offer. If such an offer is made to A-CAM electors for this type of additional funding, the funding that GRM seeks in this petition should not be conditioned upon whether GRM accepts such an offer or any other type of offers the Commission may make to A-CAM electors.

funding, the FCC should include a mechanism for GRM to receive funding at \$146.10 per location for locations that were previously eliminated due to clerical errors in the Form 477. It is clear that the budget can be made to accommodate for funding these locations, and the ultimate goal of increasing rural broadband deployment is in the public interest and widely supported.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Ronald T. Hinds". The signature is written in black ink and is positioned above a horizontal line.

By: Ronald T. Hinds, Chief Executive Officer
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