

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

**COMMENTS OF**

**WEST CAROLINA RURAL TELEPHONE COOPERATIVE, INC.**

West Carolina Rural Telephone Cooperative, Inc. (“WCTel”) files these comments in response to the Public Notice dated March 29, 2019, stating the Federal Communications Commission’s (“FCC” or “Commission”) intent on receiving comments regarding the Petition for Reconsideration filed by Pineland Telephone Cooperative, Inc. (“Pineland”).<sup>1</sup>

WCTel is a rural incumbent local exchange carrier that offers service in four counties located in western South Carolina. WCTel elected the Commission’s A-CAM I initial offer as a glide-path carrier. It also accepted the recent second revised A-CAM I offer in an effort to extend the benefits of high-quality broadband service to its customers. In receiving the second A-CAM I revised offer, WCTel is obligated, *inter alia*, to offer 10 Mbps download and 1 Mbps upload to 15 percent of its fully funded locations.<sup>2</sup>

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<sup>1</sup> *Petitions for Reconsideration of Action in Proceeding*, WC Docket No. 10-90, *et al.*, Report No. 3120.

<sup>2</sup> Under the A-CAM I second revised offer, WCTel has 1,263 fully funded locations, 190 of which have a 10/1 Mbps obligation and 1,073 have a 25/3 Mbps obligation.

WCTel understands that Pineland petitioned the Commission to reconsider its order that precludes the ability of A-CAM I carriers to select the A-CAM II offer with its materially higher service obligations, more fully funded locations, and increased support. WCTel supports the Pineland Petition and recommends that the Commission correctly align its Fiber-to-the-Premise (“FTTP”) policy by permitting A-CAM I carriers to elect the A-CAM II offer. WCTel offers the following reasons for its recommendation.

## **I. FTTP Policy is Misaligned Between A-CAM I Offers and A-CAM II Offers**

As expressed in its Petition, Pineland describes the history of the Commission’s FTTP policy, initially excluding from A-CAM I support Census Blocks that have any portion of FTTP infrastructure and then reversing this position for A-CAM II offers.<sup>3</sup> WCTel believes that the interests of the end-user customers throughout rural carrier service areas should be paramount when the Commission makes policy decisions. Thus, regarding its FTTP policy, WCTel recommends that the Commission permit and not prohibit A-CAM I-electing carriers from accepting the increased obligations and possibly increased universal service support offered by A-CAM II. Rural customers would benefit if the Commission allowed A-CAM I carriers that are able to accept the obligation of delivering 25/3 Mbps broadband and attending voice capabilities to their end-user customer locations. As the Commission understands, broadband service is an integral service for rural communities. No community should be relegated to less than 25/3 Mbps by the Commission’s incongruent FTTP policy when a rural carrier is willing and able, with

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<sup>3</sup> See *In the Matter of Connect America Fund, ETC Annual Report and Certifications, Establishing Just and Reasonable Rate for Local Exchange Carriers, and Developing a Unified Intercarrier Compensation Regime, Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration*, WC Dockets No. 10-90, 14-58, 07-135, and CC Docket No. 01-92, FCC 18-176, released December 13, 2018 (“A-CAM II Order”), *In the Matter of Connect America Fund, ETC Annual Report and Certifications, and Developing a Unified Intercarrier Compensation Regime, Report and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking*, WC Dockets No. 10-90, 14-58, and CC Docket No. 01-92, FCC 16-33, released March 30, 2016 (“A-CAM I Order”).

attending support, to provide 25/3 Mbps broadband service over the term of the A-CAM II offer.

## **II. The Petition Provides Significant Benefit at Very Little Cost**

The recent A-CAM II offer shows that granting the Pineland Petition would potentially provide significant broadband availability at very little cost to the overall A-CAM budget. Consequently, any budget concerns are outweighed by the delivery of a significant number of locations that would be provided 25/3 Mbps or more throughout rural carrier service areas.

The A-CAM II offer has the potential to provide 25/3 Mbps broadband service to 1,304,082 locations throughout rural carrier service areas, including at least 510,334 locations in Census Blocks that are reported to have FTTP.<sup>4</sup> The attending A-CAM II annual support is reported to be \$1,082,871,440—resulting in an annual support per location of \$830. By permitting A-CAM I carriers to elect A-CAM II, the 169,011 locations that are assigned to a 10/1 Mbps obligation under the A-CAM I second revised offer would be increased to 25/3 Mbps (if all A-CAM I carriers accepted the A-CAM II support and obligation). In addition, the 65,098 locations that were excluded by the initial FTTP policy for A-CAM I-electing carriers would also receive 25/3 Mbps or higher speeds and service.<sup>5</sup> In total, 234,109 rural locations potentially could receive broadband service. The estimated annual support per location for these A-CAM I carriers is only \$272 per location—or 33 percent of the annual A-CAM II per location support amount!<sup>6</sup> WCTel recommends the Commission grant the Pineland Petition because the potential

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<sup>4</sup> FCC Report, May 2, 2019, Report 15., Column “E” and “F” on Row “RoR Total”. The number of FTTP locations is an estimate using A-CAM I FTTP eliminations for all carriers. WCTel understands the dataset has been updated since Report version 4.1 and 4.2 so this estimate likely underestimates the number of FTTP locations in the A-CAM II offer.

<sup>5</sup> FCC Report, Feb. 25, 2019, Report 14.2, Column “X” (169,011 locations have the 10/1 Mbps obligation since A-CAM I revised offer has a sliding scale for the 25/3 Mbps obligation). Under A-CAM II, the 25/3 Mbps obligation is for all fully funded locations. The initial FTTP policy removed 65,098 locations from the FCC’s Reporting version 4.2 of the A-CAM I offer for A-CAM I-electing carriers (*compare* Reporting version 4.1 and 4.2 for removed locations for A-CAM I-electing carriers).

<sup>6</sup> Estimated using the A-CAM II second revised offer annual per location support amount of \$978 (*See* FCC Report version 14.1, Columns “P” and “R”) multiplied by the 65,098 removed FTTP locations for A-CAM I-electing carriers (*compare* Reporting version 4.1 and 4.2 for removed locations for A-CAM I-electing carriers).

to increase broadband service at such a low support cost is a bargain that delivers more broadband at very little per location cost. The 18 percent increase in potential 25/3 Mbps or greater broadband speeds is a significant increase in broadband delivery in rural carrier service areas.<sup>7</sup>

### **III. Allowing A-CAM I Carriers to Accept A-CAM II Support and Obligations is in the Public Interest**

Lastly, WCTel observes that the Pineland Petition was unopposed: No party filed comments in opposition to the request that the Commission permit and not prohibit A-CAM I-electing carriers to accept A-CAM II support and obligations. In light of the enormous benefit at a discounted per location cost, WCTel recommends the Commission find that it is in the public interest to grant the Pineland Petition and provide the means whereby rural carriers deliver broadband to rural and high-cost areas of the nation.

### **IV. Conclusion**

The Pineland Petition should be granted, thereby allowing broadband services to be offered to more rural carrier locations. WCTel recommends the Commission act expeditiously. The Commission already concluded that, “including census blocks which already have some [FTTP] will promote more and higher speed deployment to locations in those census blocks that do not currently have 25/3 Mbps or better service.”<sup>8</sup> Rural locations excluded by a prior FTTP policy and currently served by A-CAM I-electing carriers should benefit from the policy to promote the deployment of broadband at 25/3 Mbps or better service—the Pineland Petition

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<sup>7</sup> WCTel estimates the annual budget for the Pineland Petition is \$63,637,388. This is calculated by multiplying the \$978 support per location from the A-CAM I second revised offer by the 65,098 excluded A-CAM I-electing carrier locations. The 169,011 locations are already fully funded per the second revised offer. *See* A-CAM I second revised offer Report 14.1 and *compare* with A-CAM I offer Report 4.1 and 4.2.

<sup>8</sup> *A-CAM II Order* at 45.

seeks Commission reconsideration for exactly this opportunity.

Respectfully Submitted,

/s/ Jeff T. Wilson

By: Jeff T. Wilson, Chief Executive Officer  
West Carolina Rural Telephone Cooperative, Inc.  
229 Highway 28 Bypass  
P.O. Box 610  
Abbeville, SC 29620-0610

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