



THE VOICE FOR
CONNECTIVITY



MINNESOTA
TELECOM
ALLIANCE



June 10, 2019

Ex Parte Submission

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

RE: *Connect America Fund, WC Docket No. 10-90*

Dear Ms. Dortch:

This letter is sent by the associations listed below to encourage the Federal Communications Commission (the “Commission”) to provide clear confirmation and guidance with respect to what qualifies as a location for purposes of Connect America Fund broadband deployment. Specifically, consistent with a recent petition filed by several small rural operators,¹ such guidance should reflect the realities of business operations in rural America in determining what constitutes a location served by a newly deployed or upgraded broadband network.

Together, our associations represent approximately 301 rural operators that have received ACAM I or ACAM II offers and will be impacted by the issue outlined in the Petition. These providers have already led the charge in deploying advanced networks in many rural areas to date, and with the significant steps the Commission has taken in recent years to modernize and improve the USF programs, these operators are poised in the next several years to deliver robust and reliable voice and broadband services to those rural areas still lacking access.

As the Petition recently filed explains, however, current indications on the Universal Service Administrative Company (“USAC”) website complicate these efforts and create uncertainty in network investment plans at a time when operators were otherwise hoping to return their focus to the business of building and delivering broadband in rural America. Specifically, a “frequently asked question” on the USAC website indicates that home-based businesses – of which there are of course many in rural areas, including numerous farms and other agricultural production operations – may not be counted as a location served for purposes of USF compliance unless: (1) the location has separate network facilities and equipment deployed; and (2) the location actually subscribes to broadband.

Such a limitation appears nowhere else in the Commission’s orders or rules, nor in any other guidance provided by the Commission or USAC to date. In no other instance is either a residential location or

¹ Petition for Declaratory Ruling or Clarification of Northeast Iowa Telephone Company and Western Iowa Telephone Association, WC Docket No. 10-90 (filed May 6, 2019) (“Petition”).

a business location required to have actual physical facilities already connecting it and to be purchasing service in order for the location to be counted for purposes of compliance. Rather, all that is required in every other instance is that the location is capable of being served within 10 business days by the operator reporting it as served.

In addition to being inconsistent with prior rules and orders, the FAQ on the USAC website runs counter to and flies in the face of realities in rural America. Many rural areas are by their very nature sparsely populated, lacking commercial centers where businesses are located and instead supporting home-based business operations that include farming, ranching, and other business activities that can be conducted notwithstanding distance or density. Yet the USAC guidance indicates that many of these businesses may not qualify as “locations” for purposes of determining broadband deployment.

The associations signed below support the clarification sought in the Petition, making clear that even where a home-based business may share the same structure as a residence, that business should be eligible for recognition as a separate location without the requirement to procure service or have separately deployed facilities. This clarification is urgently needed, because all three associations have received a significant number of requests from our member ETCs to support the Petition because of its significant impact on many, if not most, of our members.²

We therefore ask that the Commission act promptly, either in the form of a simple directive to USAC or a clarification order. We specifically thank the Commission for its recent Order extending the ACAM II election deadline to July 17th and we note that several locations-based questions still need to be clarified before companies can make an informed decision on whether to accept the offers in addition to those who have already elected to receive ACAM support. Should the FCC decide to seek comment on the Petition, we ask that the Commission move quickly in order to establish a definition of home-based businesses consistent with prior rules and orders. Finally, the associations share NTCA’s recent observation that “where businesses operate out of separate structures on the same property as a residence (such as agricultural production facilities), there should be no question that those businesses are appropriately counted as separate locations under existing rules.”³

Respectfully submitted,

IOWA COMMUNICATIONS ALLIANCE

/s/ David C. Duncan

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² For example, the Board of Directors of the Iowa Communications Alliance unanimously agreed during its June 5, 2019 meeting that because of the number of rural agribusiness locations served by ICA members, the lack of clarity over agricultural locations impacts the operations of every company represented on the ICA Board, and likely most, if not all, of our members’ operations.

³ *Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed June 5, 2019).

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