

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

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	

COMMENTS OF REASNOR TELEPHONE COMPANY

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INTRODUCTION

Reasnor Telephone Company, LLC (“Reasnor”) files these comments in response to the Wireline Competition Bureau’s (“Bureau”) Public Notice seeking comment on location adjustment procedures in connection with Alternative Connect America Model II (“A-CAM II”) support.¹ Reasnor appreciates the opportunity to comment on the new A-CAM II funding. It is eager to provide its customer’s access to higher quality broadband services.

LOCATION DISCREPANCIES

Reasnor is extremely concerned about its commitment to provide upgraded broadband service to 368 locations as it does not have 368 discrete locations. Reasnor seeks for the FCC to protect entities like Reasnor by creating a system to ensure it and other like providers only collect subsidies for which it is entitled to receive. Reasnor urges the FCC to adopt a location adjustment process whereby even the smallest of carrier has access to the addresses identified within the A-CAM II offer.

Reasnor Telephone Company (“Reasnor”) is a Rural Local Exchange Company (“RLEC”) providing services to consumers in rural Iowa. As a small RLEC, Reasnor is challenged to provide telecommunications to consumers due to financial constraints consistent with providing high cost rural services. In the 2010 census², Reasnor, Iowa’s population was found to be 152 people and 78 total housing units. Using basic census data available to the public, clearly Reasnor does not have 368 total locations to build out.

The Commission has previously held that “[c]arriers that discover there is a widely divergent number of locations in their funded census blocks as compared to the model should

¹ See Wireline Competition Bureau Issues Corrected Alternative Connect America Model II Offer to 37 Companies, Extends the Election Deadline, and Seeks Comment on Location Adjustment Procedures, WC Docket No. 10-90, Public Notice, DA 19-504 (rel. June 5, 2019).

² United States Census, <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>, Retrieved 2019-07-26.

have the opportunity to seek an adjustment to modify the deployment obligations.”³ We agree with this position and urge the Commission to ensure carriers have a way to report on these “divergent number of locations”.

UNINTENDED CONSEQUENCE

By accepting the A-CAM II offer, Reasnor has committed to build out forty percent (40%) of 368 locations⁴ by 2022. Forty percent of 368 is 147 locations. As reported to the FCC in the 2019 477 Report, Reasnor reports 189 Voice Grade Equivalent lines. Of the customer accounts associated with the lines reported, only 141 accounts are sold with internet service. Reasnor is the perfect example of a carrier that will be dramatically harmed if it is not allowed to adjust the location number to meet the number of actual locations. Without the ability to adjust the number of locations, Reasnor would fail to meet its initial commitment of 40% of 368 locations by the end of 2022. By the calculations provided to Reasnor, Reasnor would fail to meet its commitment by a mere six lines.

Not only will Reasnor potentially be facing fines for failure to meet its commitment, without an ability to adjust the number of its actual locations, it will be treated differently than other carriers. The intention of A-CAM II is to give carriers ten years to deploy upgraded services to its service area. By failing to adjust the number of locations attributed to match facilities required on the ground, Reasnor will be mandated to build out 100% of its actual network by the end of 2022. This is clearly inconsistent with intention of A-CAM II offering and puts Reasnor at a severe economic disadvantage.

³ 2016 Rate-of-Return Order

⁴ Id. Footnote 1

CARRIER SHOULD HAVE ACCESS TO THE ACTUAL ADDRESS COUNTED FOR COMPARISON

Given that carriers, like Reasnor, will be demonstrably harmed should it not be allowed to adjust location data, carriers should be able to true-up on an ongoing basis as locations change fluidly. Each location should be worked on case by case. Carriers should not be penalized when participating in good faith in the ongoing true-up basis. Carriers should have access to a centralized data base that allows it to add and drop locations as needed.

LOCATION ADJUSTMENT PROCEDURES AND SUPPORT REDUCTIONS

The Bureau directs interested parties to the Locations Adjustment Public Notice Released: June 5, 2019 where the Commission requested comment on the procedures for addressing location counting issues for A-CAM II.⁵ In addition, 47 C.F.R. § 54.320 requires a certain amount of support to be refunded in instances where the support recipient does not meet deployment obligations. Reasnor supports the argument that no automatic pro-rata reduction in support should take place in circumstances where ACAM funded locations are overstated, unless the adjustment and subsequent loss of subsidy is indeed confirmed to be due to the overstatement. This will support carriers working at a very granular level with the Commission to ensure maximum coverage for the residents and businesses in its service territory.

⁵ Wireline Competition Bureau Issues Corrected Alternative Connect America Model II Offers to 37 Companies, Extends the Election Deadline, and Seeks Comment on Location Adjustment Procedures, Released June 5, 2019, <https://docs.fcc.gov/public/attachments/DA-19-504A1.pdf>

USAC's FAQ GUIDANCE IS INCONSISTENT WITH CURRENT INDUSTRY PRACTICES

Published in the USAC FAQ's there is further confusion regarding the type of location that is eligible for subsidy. Reasnor is concerned that complications will further arise due to the following response given as guidance to carriers for counting locations for subsidies:

“Q. How should a carrier report deployment at a residence that also has a home-based business within the same structure? A. A carrier receives credit for and must report the house regardless of whether the house subscribes to the service. For a carrier to count a business run out of a house or a business run out of a barn, shed or other structure on the property, there must be separate facilities (drop/line) and separate equipment (e.g., modem) and the business must separately subscribe (get its own bill) to at least the minimum speed required. See DA-16-1363 WCB Guidance on Location Reporting for Carriers Receiving CAF Support.”⁶

Reasnor is in the unique position of being required to provide additional facilities running out to the barn, shed or other structure. Reasnor agrees with the Reply Comments filed by JSI and A-CAM COMPANIES on July 25, 2019 “that USAC’s HUBB FAQ is inconsistent with the Commission’s rules for identifying locations for purposes of ACAM build-out requirement.”⁷ With existing discrepancies in the information contained in the A-CAM II offer versus actual locations, not allowing business broadband services to be subsidized simply because it is not billed separately is counter intuitive. In the real world, a customer should have access to high capacity services at the barn as needed. Services should not stop short because the home near the barn already has subsidized services.

⁶ <https://www.usac.org/res/documents/hc/pdf/tools/Hc-HUBB-FAQ.pdf>

⁷ JSI and ACAM Companies; <https://ecfsapi.fcc.gov/file/10725587726333/JSI%20and%20A-CAM%20Companies%20Home%20Based%20Businesses%20Reply%20Comments%207-25-19.pdf>

CONCLUSION

Based on the foregoing, Reasnor supports the proposals in the Locations Public Notice for A-CAM II location discrepancies but with added allowances of flexibility for carriers to work with the Commission to ensure location data sources and associated subsidies are correct. Reasnor believes it should have access to the list of locations to compare with its actual service area. Moreover, Reasnor urges the Commission to permit the Bureau to revise A-CAM II offers with significant funded location shortfalls. Reasnor also urges the Commission to address and clarify that separate locations, no matter how billed, should be eligible for subsidies. Otherwise there will rural pockets without broadband services in direct contradiction of the FCC's goals and purposes in this rulemaking.

Respectfully submitted,

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