



September 14, 2016

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

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

Dear Ms. Dortch:

On Tuesday, September 13, 2016, Paul Stark, General Manager and President of Baraga Telephone Company (BTC) and Dusty Johnson, Vice President of Consulting for Vantage Point Solutions had a series of ex parte meetings with the Federal Communications Commission:

- Claude Aiken, Legal Advisor to Commissioner Clyburn
- Nick Degani, Legal Advisor to Commissioner Pai
- Stephanie Weiner, Senior Legal Advisor to Chairman Wheeler, and key personnel from the Wireline Competition Bureau: Carol Matthey, Ryan Palmer, Suzanne Yelen, Alexander Minard, Katie King.
- Travis Litman, Senior Legal Advisor to Commissioner Rosenworcel
- Amy Bender, Legal Advisor to Commissioner O’Rielly

We discussed the May 25, 2016, Baraga Telephone Company (BTC) Motion to Reconsider certain provisions of the USF Reform Order 16-33 (or, in the alternative, to provide BTC a waiver from those provisions).<sup>1</sup> We walked through the timeline of events related to Baraga Telephone’s June 20 15 Form 477 filings and special circumstances differentiating the BTC situation.

Attached are slides that were used to guide the ex parte conversations. The slides have been updated in a few ways to better reflect the ex parte meetings, including:

---

<sup>1</sup> <https://www.fcc.gov/ecfs/filing/60001951805/document/60002057348>.

- On slide 13, this sentence has been added: “A more narrowly-targeted waiver of the March 30 deadline for Baraga Telephone would also provide relief for the company.”
- On slide 14, this sentence has been added: “This alternative motion does not request the waiver of any deadlines, but instead requests the FCC allow the timely-filed ILEC FRN Form 477 data to be the official record of the service provided by BTC in the ILEC area.”

Please contact me if any additional filings related to our ex parte meetings are required.

Sincerely,

A handwritten signature in black ink that reads "Dustin Johnson". The signature is written in a cursive, flowing style.

Dustin “Dusty” Johnson  
Vice President of Consulting

# Baraga Telephone Company

Ex Parte Presentation to Commission Legal Advisors  
and Wireline Competition Bureau  
September 14, 2016



Paul Stark  
President and General Manager  
**Baraga Telephone Company**  
[PWStark@Up.net](mailto:PWStark@Up.net)  
(906) 353-6644

Dusty Johnson  
Vice President of Consulting  
**Vantage Point Solutions**  
[Dusty.Johnson@VantagePnt.com](mailto:Dusty.Johnson@VantagePnt.com)  
(605) 995-1746



# Overview – Baraga Telephone



# A Century of Connecting People . . .

## Voice, 1907

The first telephone line in the area was installed when Tony Stark connected the Baraga railroad depot to the Mission School Monastery.

## Data, 1995

Baraga Telephone Company started Internet dial up service.

## Broadband, 2000

BTC became the first telephone company in the Upper Peninsula to offer DSL service.



# A Century of Service . . .

## Schools and Local Governments

BTC has long served the Village of Baraga (data and voice) and the L'Anse (voice) and Baraga schools (data, voice, network).

## Disadvantaged Service Area

Per capita income in Baraga County is less than \$20,000 and unemployment is almost twice the state and national averages.

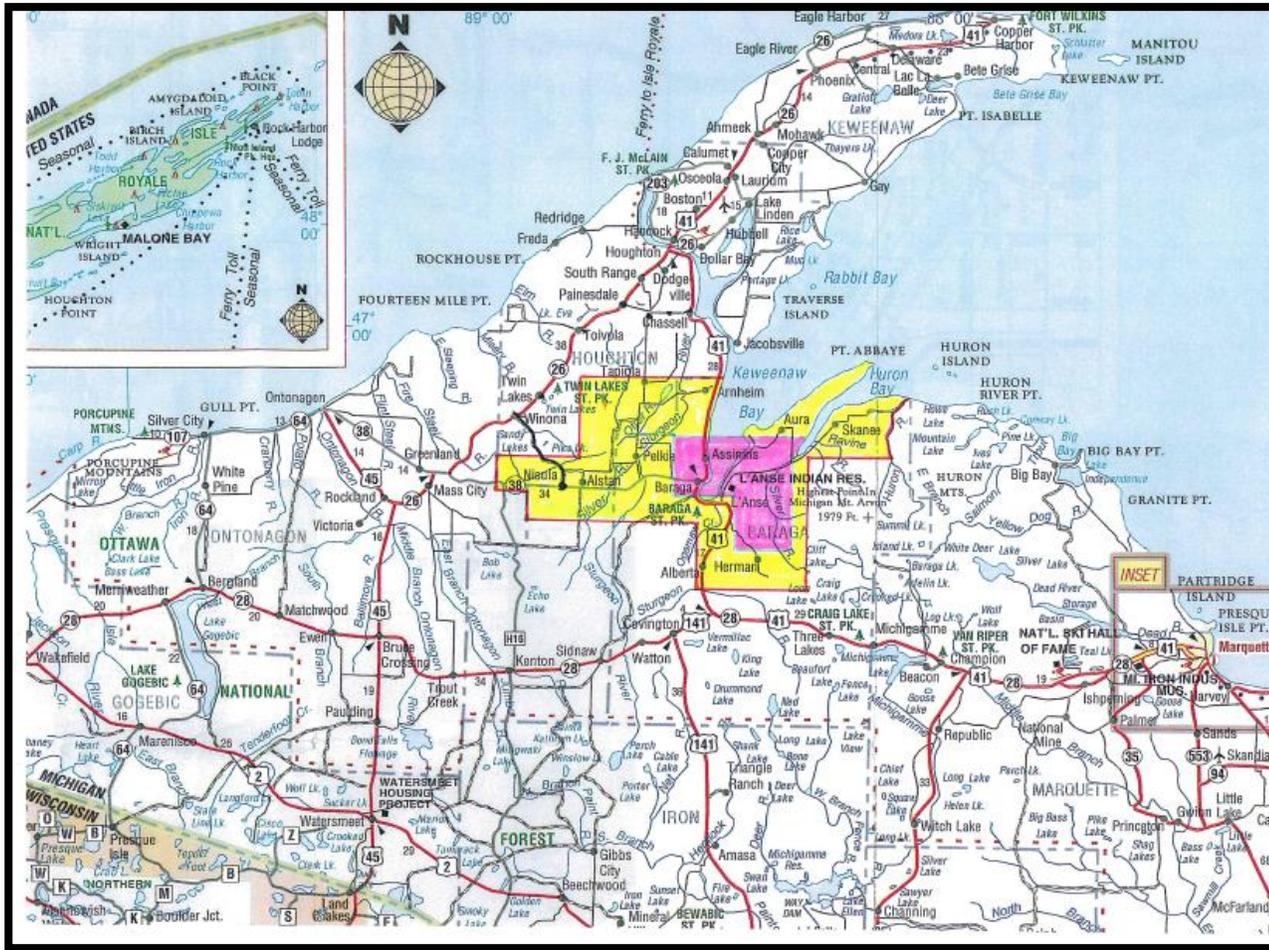
## Underserved Communities

In 1999 BTC responded to requests from those in underserved communities by deploying the first-ever data service in Chassell and Crystal Falls.

## Tribal Community

Baraga Telephone is a key partner with the Keweenaw Bay Indian Community. President and General Manager Paul Stark is a tribal member.





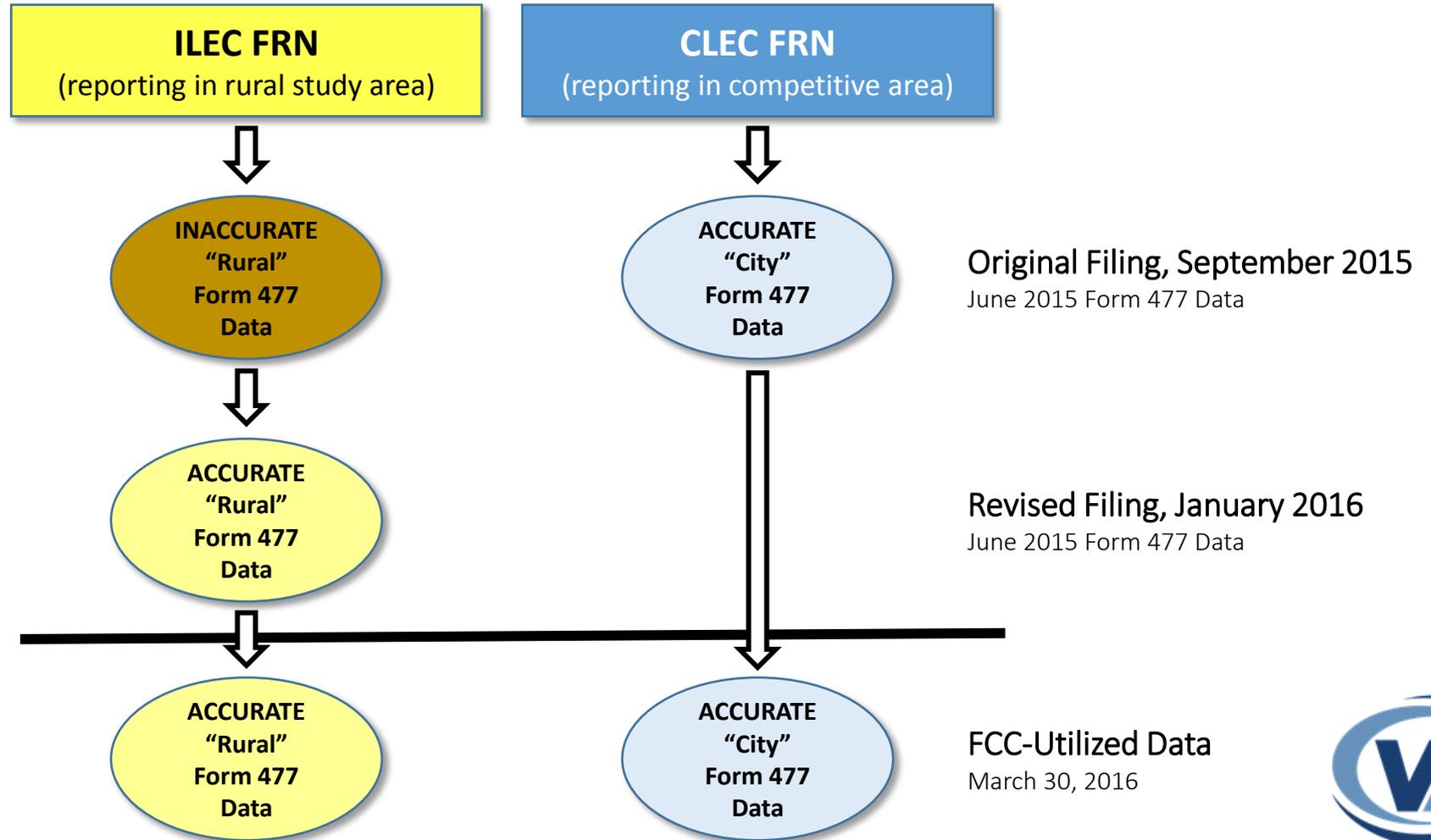
- Yellow is the Baraga Telephone Company ILEC area
- Pink is the Keweenaw Bay Indian Community



# Form 477 Filings



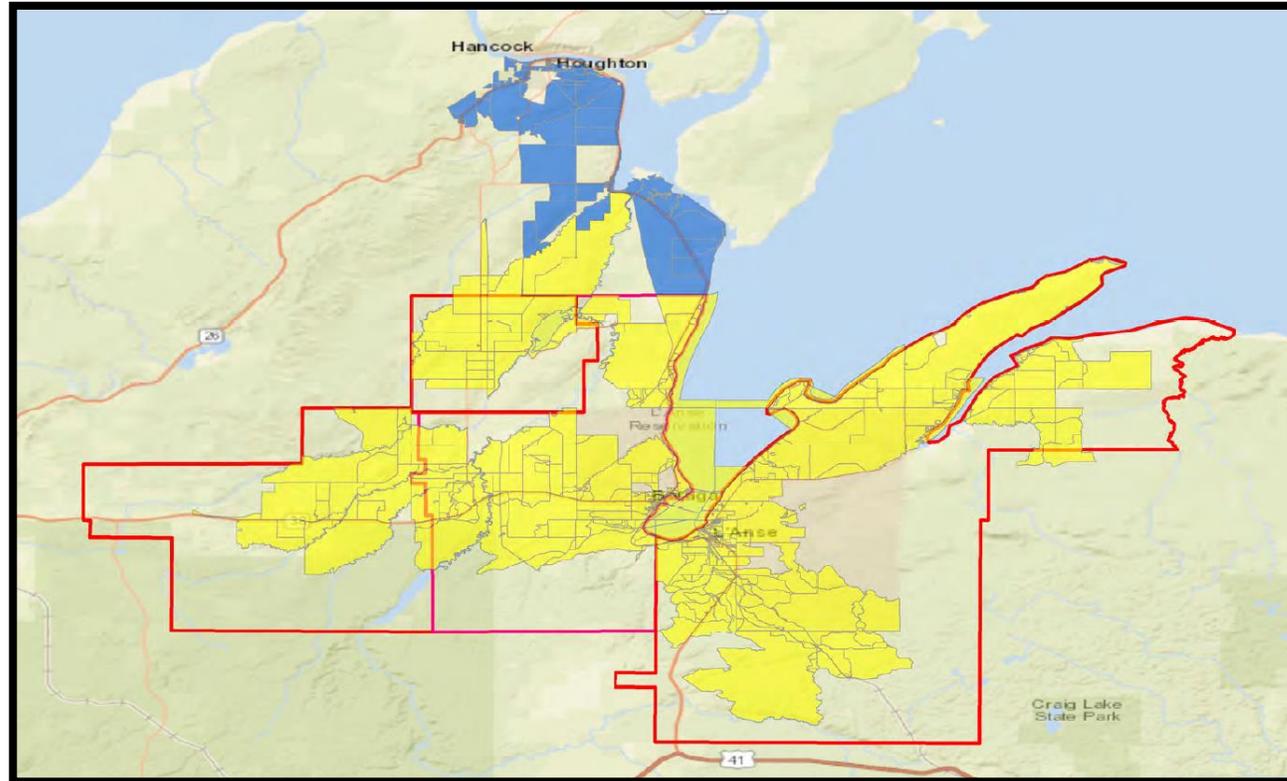
**Baraga Telephone  
Intended  
Form 477 Approach**



RLEC re-filed, providing accurate information in RLEC areas. Information in CLEC areas was accurate, so no CLEC re-filing needed.



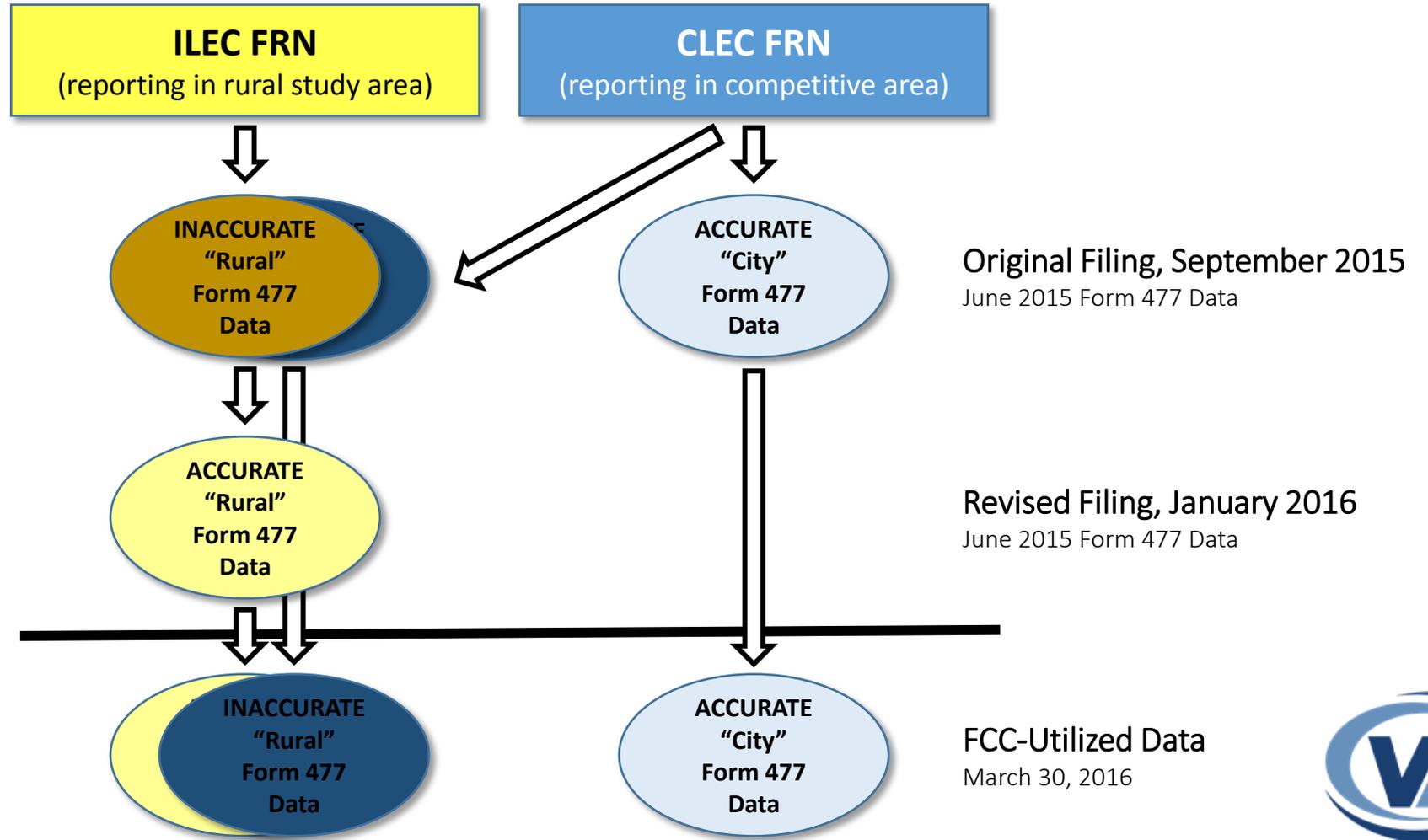
# Intended Form 477 Filing



Blue = CLEC-filed data  
Yellow= ILEC-filed data



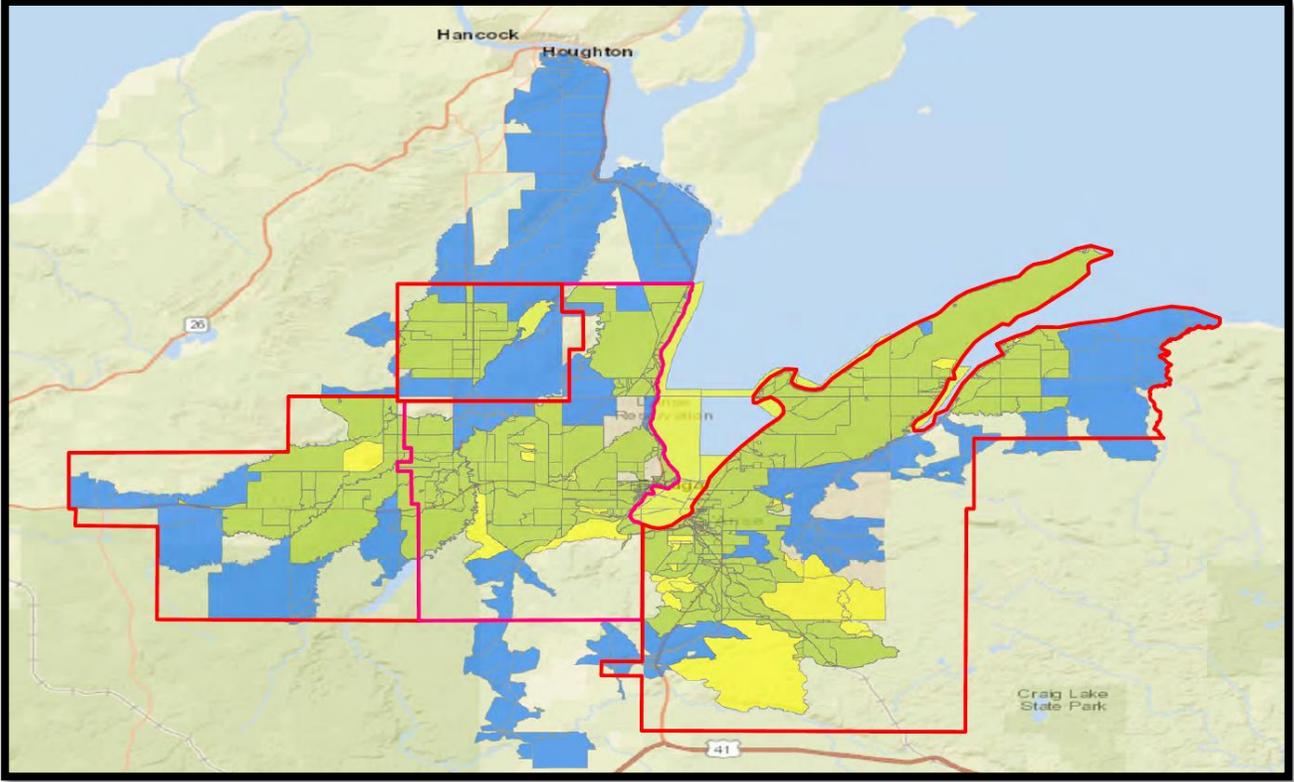
# What Actually Happened With BTC Form 477s



Inaccurate information erroneously filed under wrong FRN "trumped" later accurate filing for ILEC area under ILEC FRN.



# Actual Form 477 Filing



Blue = CLEC-filed data  
Yellow= ILEC-filed data



# Key Facts

- The January 2016 revisions were a good faith effort by BTC to provide the FCC with accurate information.
- Accurate June 2015 Form 477 data for both the ILEC and CLEC areas was on file with the FCC as of March 30, 2016.
- Unfortunately, the double-filing in the ILEC area created a conflict between the (accurate and more recent) ILEC Form 477 data and the (inaccurate and older) CLEC Form 477 data. Special circumstances (e.g., problems with billing system reports, ambiguity regarding policy implications of conflicting 477s, BTC having and filing under two FRNs) contributed to this situation.
- How should the FCC resolve the conflict between Form 477 data?



# Baraga Telephone Request



# Motion to Reconsider

- BTC petition requests the FCC:
  - “. . . eliminate the phrase ‘that has been submitted as of the date of release of this Order’ within paragraph 66 and should instead provide a reasonable window for companies to correct or update June 2015 Form 477 data.”
- Doing so would ensure that decade-long offers of model-based support are based on accurate information.
- BTC understands, however, that the FCC may be reluctant to formally alter the current framework of the USF Reform Order. A more narrowly-targeted waiver of the March 30 deadline for Baraga Telephone would also provide relief for the company.

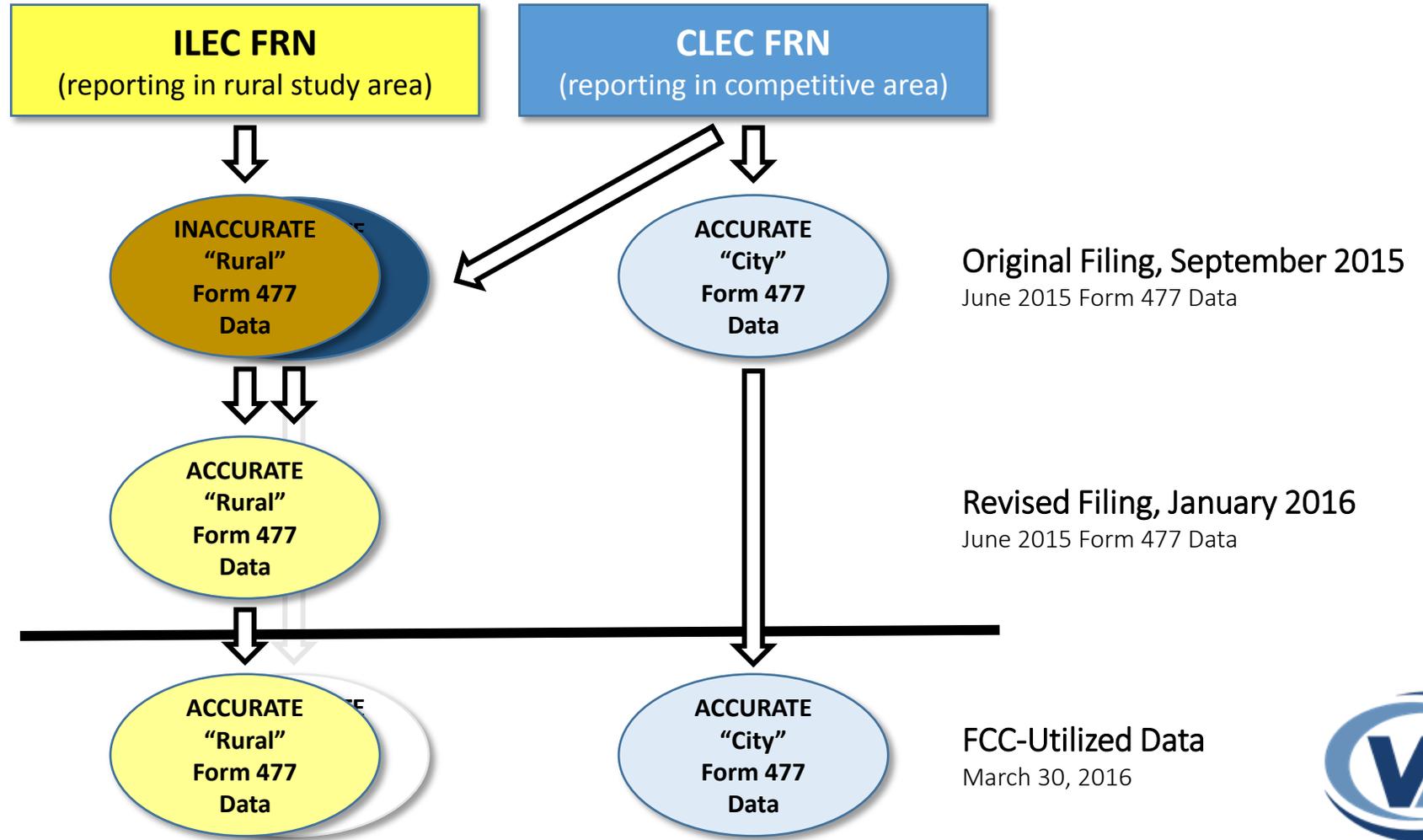


# Alternative – Request for Waiver

- BTC asks the FCC resolve the conflict between the dueling Form 477 filings by relying on the accurate and more recent ILEC filing that was on file with the FCC on March 30, 2016.
- This alternative motion does not request the waiver of any deadlines, but instead requests the FCC allow the timely-filed ILEC FRN Form 477 data to be the official record of the service provided by BTC in the ILEC area.



# What Baraga Telephone Is Requesting



Use the timely-filed and accurate information in lieu of the inaccurate information erroneously filed under the wrong FRN



# Decision Impacts

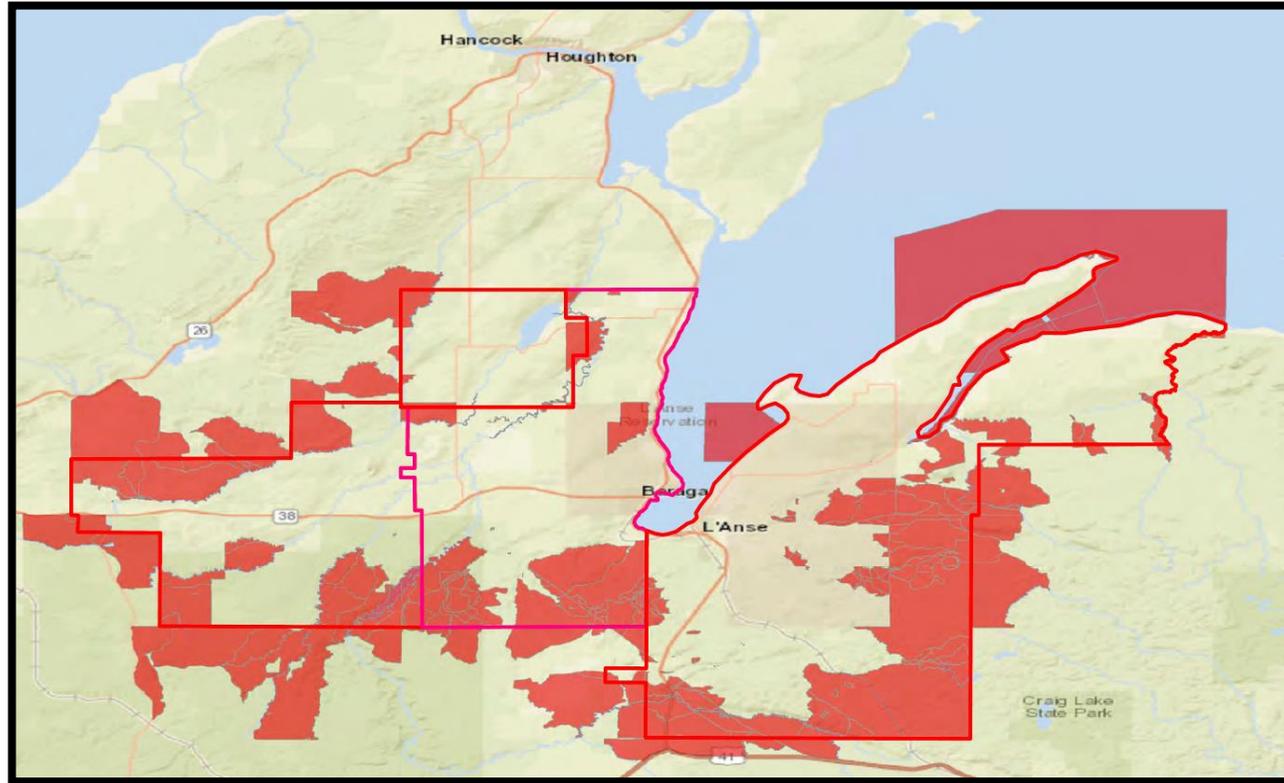


# Impact of Denial

- BTC admits making a mistake in overlooking the fact CLEC FRN filings incorrectly contained ILEC census blocks.
- Various sections of FCC rules and federal law provide appropriate penalties for administrative oversights, like those exhibited by BTC.
- If this request for a waiver is denied, BTC and its customers will face an unnecessarily draconian penalty, however: preclusion from the model path that was designed to enable broadband deployment in areas like those served by BTC.



# ILEC Census Blocks Without 10/1 Access



A quarter of locations in model-eligible census blocks do not have access to 10/1 speeds.



# Impact of Approval – Baraga Telephone

- BTC has a century-long track record of investing available capital into its network, providing better service to customers.
- Baraga Telephone still has "significant work to do to extend broadband to unserved consumers in high-cost areas." The FCC's USF Reform Order calls for model-based funding to be available for companies in that position.
- A favorable decision would allow BTC to move forward with:
  - Expanding their fiber network to serve more businesses,
  - Increasing bandwidth capability in remote areas in the short-term via DSLAMS fed with fiber,
  - Making progress with the ultimate goal of providing fiber to all homes and businesses.



# Impact of Approval– Keweenaw Bay Indian Community

- As noted previously, Baraga Telephone serves the entire reservation of the Keweenaw Bay Indian Community.
- The USF Reform Order notes the priority the FCC has long placed on improving telecommunications service in Indian Country:  
“ . . . communities on Tribal lands have historically had less access to telecommunications services than any other segment of the population, and that greater financial support therefore may be needed in order to ensure the availability of broadband on Tribal lands.”
- BTC stands ready to deploy better services to its tribal areas, and the FCC has already designed a model that will serve as "the source of financial support" needed to foster that investment.



# Impact of Approval – USF Reform Efforts

- A favorable decision would have no adverse impact on the FCC’s USF reform efforts.
- Provided a decision is made on the Baraga motion by November 1, no delay in the FCC’s model election timeline would be needed.
- Whatever model budgetary control mechanism the FCC will utilize (e.g., adjusting the per location support cap, reducing the 90% 10/1 preclusion threshold) will work as well with BTC on the model path.
- The FCC’s goals for the model path (expanding broadband in rural America) would be well-served with Baraga’s inclusion.



# Thank you for your time and consideration.



Paul Stark  
President and General Manager  
**Baraga Telephone Company**  
[PWStark@Up.net](mailto:PWStark@Up.net)  
(906) 353-6644

Dusty Johnson  
Vice President of Consulting  
**Vantage Point Solutions**  
[Dusty.Johnson@VantagePnt.com](mailto:Dusty.Johnson@VantagePnt.com)  
(605) 995-1746

