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October 21, 2016

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**RE: NEW YORK STATE'S PETITION FOR EXPEDITED WAIVER OF THE CONNECT AMERICA PHASE II AUCTION RULES – WC Docket No. 10-90**

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Dear Secretary Dortch:

The Empire Telephone Corporation respectfully submits this letter in response to New York State's Petition for Expedited Waiver (the "Petition") filed on October 12, 2016 in the above-referenced proceeding.

Empire Telephone Corporation fully supports the Petition and believes that the many benefits that would arise from the granting of the Petition warrant its approval on an expedited basis.

Empire Telephone Corporations roots date back to as early as1896 and became incorporated in 1919. Our company and its subsidiaries provide telecommunications, Broadband/Internet and Cable TV services in Chemung, Genesee, Livingston, Ontario, Schuyler, Seneca, Steuben, Thompkins, Tioga and Yates counties of New York. Empire Telephone Corporation is an Eligible Telecommunications Carrier (ETC).

As noted in the Petition, Congress, the Courts, and the FCC recognize that states have an important role in advancing the country's Universal Service goals. It is clear that New York has taken a leadership position in advancing universal service, most recently through the establishment of the State's $500 million "New NY Broadband Program." This ambitious program is critical to the deployment of broadband infrastructure in areas of the State where private investment alone is not sufficient.

The benefits of granting the waiver request are compelling and will undoubtedly assist in the goal of bringing high-quality broadband service to those areas of New York subject to the Phase II auction (the "CAF Territories"). In addition to the benefits achieved through federal-state alignment, the proposal also mitigates concerns presented by holding separate and uncoordinated federal and state auction processes. These include potential funding of duplicative broadband networks and disparate federal-state funding requirements.

Grant of the Petition will allow for the establishment of a single auction process that will provide for a greater level of clarity and certainty in our decision making concerning whether to participate in any auction program. Conversely, two separate and uncoordinated programs would introduce uncertainty and would likely have negative consequences for potential broadband deployment in the CAF Territories, as described in the Petition. A single auction process also provides far more cost efficiencies and financial synergies in meeting the challenges of bringing broadband services to those underserved and unserved areas of the state, which can be passed along to consumers through higher-quality broadband services.

New York, through its Empire State Development (ESD) agency, is well positioned to administer a state-level auction process for CAF Phase II areas in conjunction with the state's Broadband funding initiative.

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The State has invested significant time and resources in the development of an auction process, including extensive outreach with varied interested parties in the State and the involvement of experts in telecommunications, economics and costing and pricing as well as consulting with FCC staff. These efforts allowed New York to acquire an in-depth understanding of local broadband needs, which resulted in a successful and extremely timely conclusion in the first round of auctions conducted by the ESD.

Incentivizing the providers to deploy broadband infrastructure in some of the most rural areas of New York is not a simple business case. Such a venture requires considerable capital expenditures and entails significant operating risk.

It is for these reasons that we encourage the FCC to expeditiously grant the New York Waiver to align the FCC and State funding structures. This would give the CAF territories the highest chance for receiving high quality broadband and those consumers the best opportunity to thrive.

It is for the above reasons that Empire Telephone Corporation strongly believes that granting of the waiver as requested by the State of New York is in the public interest.

Sincerely,

Brian Ketchum
VP/GM