

Mobility Fund Phase II (MFII) Ex Parte

Panhandle Telecommunication Systems, Inc.

D/B/A PTCI

December 4, 2018



Topics

- Concerns regarding overstated coverage remain
 - Review of our Drive Test Maps
 - What happens to Grids less than 75%
- Mobility Fund Phase II Timeline
- Update on our drive test experience
- Other considerations
- Conclusions

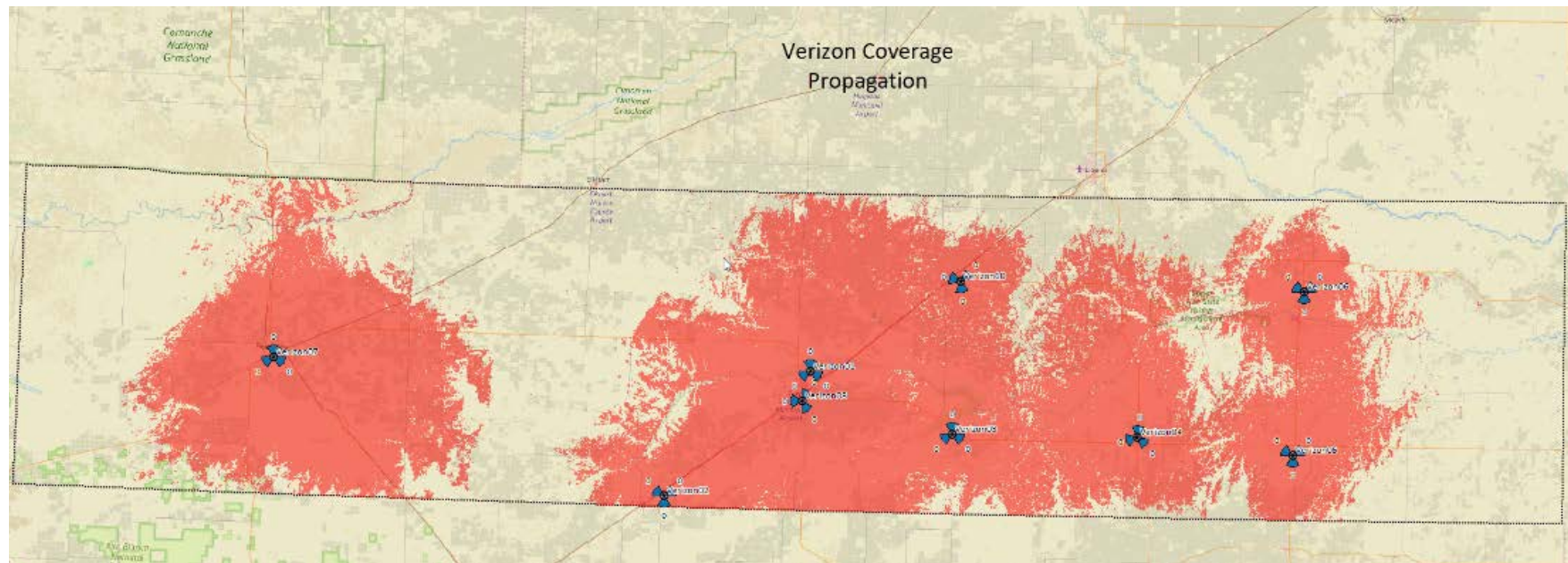


Overstated Coverage - VZW



Source:

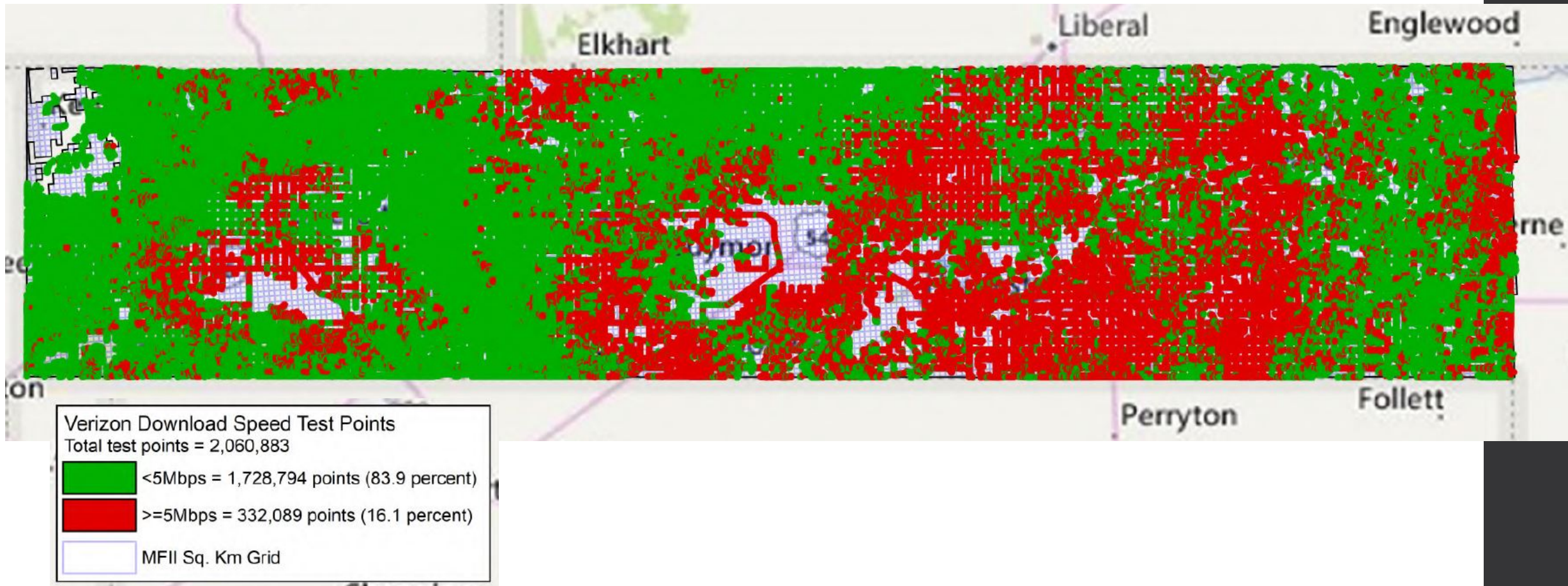
<https://www.verizonwireless.com/featured/better-matters/>



RF Engineer
Estimate of VZW
Coverage totals
47.82% of what
VZW posts on their
website (52.18%
overstated).

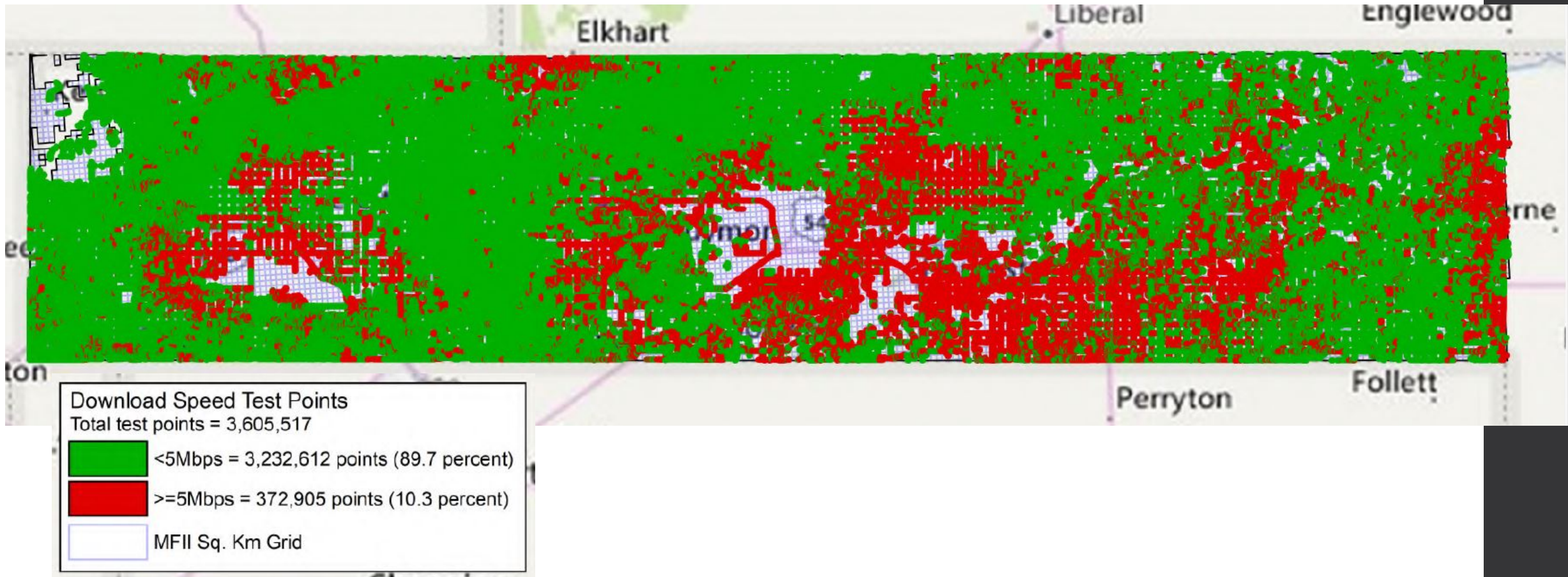
Overstated Coverage Confirmed – VZW

Oklahoma Panhandle Verizon MFII Drive Test Point Analysis



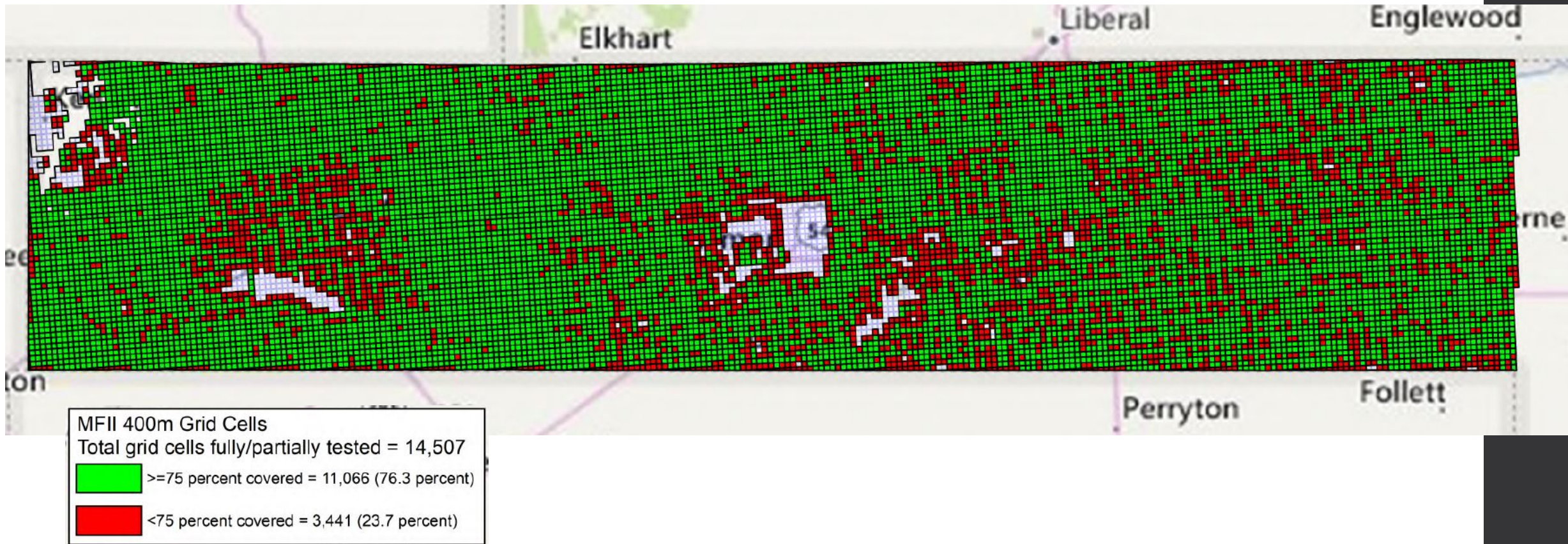
Overstated Coverage Confirmed – All Carriers

Oklahoma Panhandle MFII Drive Test Point Analysis



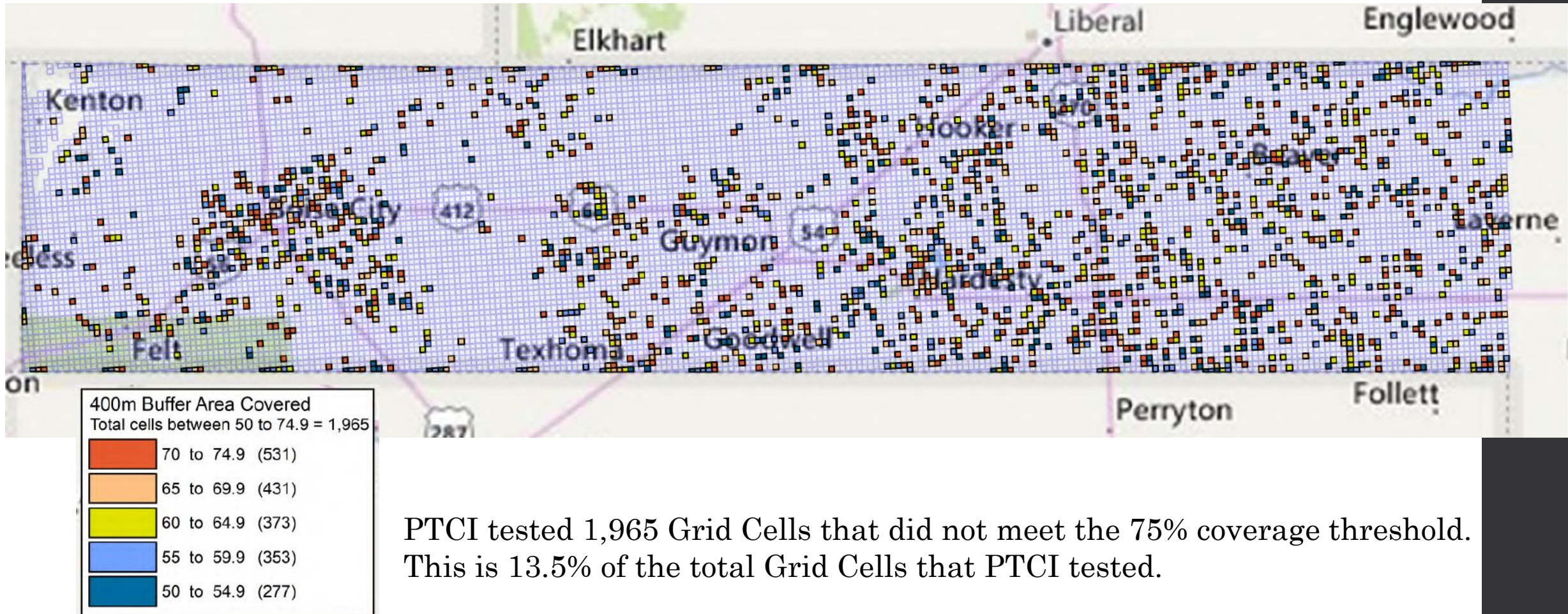
75% Threshold Achieved

Oklahoma Panhandle MFII 400m Buffer Analysis



What happens to Grids less than 75%?

Oklahoma Panhandle MFII 400m Buffer <75% Covered



Summary of PTCI's MFII Drive Test Results



Summary of PTCI Challenge Efforts



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

News Media Information 202 / 418-0500
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MOBILITY FUND PHASE II CHALLENGE PROCESS PORTAL UPDATE: NOVEMBER 2018

WC Docket No. 10-90
WT Docket No. 10-208

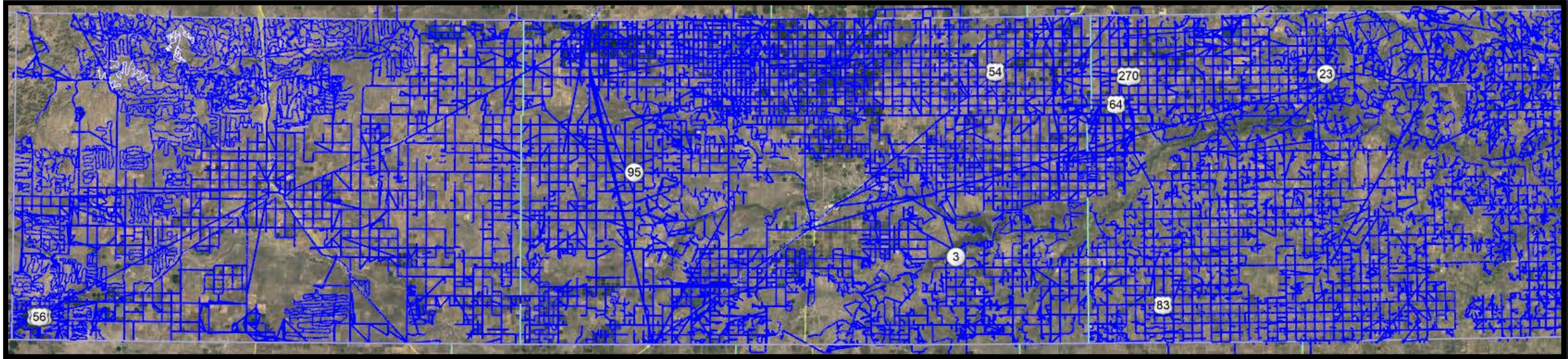
The Rural Broadband Auctions Task Force (Task Force), in conjunction with the Wireline Competition Bureau and the Wireless Telecommunications Bureau, today provides the seventh update about the Mobility Fund Phase II (MF-II) challenge process. The window to file challenges closed at 12:00 AM EST on November 27, 2018. By the close of the challenge window, challengers submitted data for 20,809,503 speed test results across 37 states and certified challenges to 129,537 square-kilometer grid cells.¹ Dates for the challenge process response window will be announced in a later public notice.

A total of 106 entities had access to the Universal Service Administrator Company (USAC) MF-II Challenge Process Portal at the close of the window. Of these entities, 38 are mobile service providers required to file Form 477 data; 19 are state government entities; 27 are local government entities; 16 are Tribal government entities; and six are other entities that have filed petitions requesting, and have each been granted, a waiver to participate.² A total of 21 entities submitted and certified valid challenges.

PTCI submitted 3,605,517 test points, approximately 17.3% of the 20,809,503 total test points submitted by 21 challengers.

PTCI tested 14,507 grid cells, approximately 11.2% of the 129,537 total grid cells tested.

Comprehensive Drive Testing Conducted



124,421

Total Vehicle Miles Driven –
05/01/18 through 11/10/18

** Does not include miles driven by
ATVs, flown by Drone, tests
completed on foot, or on horseback*



6,720

Employee Hours Dedicated to
MF2 and Drive Testing
11/01/17 through 11/26/18

\$504,815

Wages Paid 11/01/17 through
11/26/18 for MF2 related work

**Financial figures are estimates
and do not include vehicle
wear/tear, business wear and
tear, etc.,



\$135,000

Consulting Costs 11/01/17
through 10/31/18
(regulatory & engineering)

\$50,000

Expected Consulting Costs
through 12/15/18



\$108,000

Paid for cellular plans on multiple carriers; Multiple devices needed for each carrier to successfully complete drive tests; Costly plans with data caps and overage fees to ensure no network prioritization

7,400

Number of gigabits of data used
04/04/18 through 11/29/18

(Most of which were subject to
overage fees)



\$30,000

Spent on ATVs, trailers, licensing, etc.

480

Number of hours spent Drive Testing with ATVs on property inaccessible by roads – 07/17/18 through 11/10/18 (2 of 5 ATVs)

1,113

Number of miles driven while Drive Testing with 3 (of 5) ATVs on property inaccessible by roads – 07/17/18 through 11/10/18

** Does not include time associated with Drive Testing on Horseback*



Successful Drive Testing is Difficult

- Multiple efforts made to notify and educate our customers on drive testing (letters, personal communications, social media, etc.).
- Implementation of additional safety equipment on all vehicles use for drive testing (signs, flashing lights, etc.).
- Use of 4-wheelers to test areas inaccessible by roads.
- Our drive testers take farmers out to check cattle in order to gain access to some farm and ranch land – land owners want to ensure that we are not inadvertently starting fires while driving on their parched land & to make sure that their cattle are not getting out of their pastures.
- Our drive testers have ridden with biologists in designated Wildlife areas.
- Our drive testers have been locked in pastures by landowners.
- Drive testers receive unfriendly hand gestures while drive testing on highways – testing requires driving much slower than posted highway speed limits.
- ATV drive testers have reported seeing various wild animals, including Rattle Snakes & Mountain Lions.

Successful Drive Testing is Difficult



Opportunity Costs

Pulling employees away from their day time duties:

- Paused general network maintenance
- Slow down of FTTH Conversions
 - Fewer employees available for customer conversions = fewer conversions are completed and more overtime associated with employees working on conversions
 - Growth of Overtime exceeds 50% in departments most affected by drive testing
- Additional wear and tear on vehicles = Unexpected repair and vehicle replacement costs

Conclusions

- Concerns regarding overstated unsubsidized coverage remain
- Herculean effort to conduct a successful challenge
 - Square kilometer grids coupled with lack of public roads make challenges in rural America very burdensome
 - Even areas presumed challengeable are inaccessible
 - Challenge process was very expensive and labor intensive
- Small regional carriers are faced with many challenges and uncertainties due to MF2
 - What will happen with Grid Cells that did not meet > 75% testing threshold?
 - MFII Timeline