



December 28, 2017

Federal Communications Commission
445 12th Street
SW Washington, DC 20554

Comment on Docket No. 17-258

Dear Chairman Pai & Commissioners Clyburn, O'Rielly, Carr & Rosenworcel:

AcelaNet, LLC provides fixed broadband service to mostly rural areas of Virginia. The service market the company is expanding into includes areas that not only are underserved by broadband but some areas do not even have good cell service or DSL service. On a given school night, it is great to think there are 2,000 to 3,000 students online doing their assignments on the AcelaNet network. Some of the Virginia counties the company serves are the smallest populated counties in the state. This week the company is starting new service in a county with a population less than 7,000.

This year the company made a major investment to start using 3650-3700 MHz LTE equipment so 10 mbps to 50 mbps unlimited data plans could be offered. The plans start at under \$40. Keeping consumer plans at such a low cost is a challenge with the expense of the equipment along with having substantial backhaul to support the growing needs due to streaming video.

Adding expensive frequency licensing will have a major impact on the ability to provide service and at a low cost of service to residents and businesses in rural markets. Even with low cost for licenses additional spectrum is needed to improve quality of service, interference, throughput, etc.

The proposals to expand the geographic area of PALs to an area larger than census tracts will dramatically reduce the company's ability to make competitive bids at the PAL auction, because the much larger area is beyond the company plan for connecting unserved and/or provide better service to existing customers.

Using Census Tracts is a much more economical method for us to acquire PALs. We can exclude ourselves from high density areas in the existing large urban areas, which are

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largely covered by existing fiber and cable companies providing service. Instead, we can pick the areas which make the most sense to continue to provide service to our customers in the underserved areas.

The FCC does not need to change the rules to benefit the small businesses that are working to serve the rural markets; it needs to leave the rules as they were purposed. So small businesses have equal opportunities to bring services to the rural market and large companies can focus on heavily populated markets.

Our company is opposed to increasing the size of the PALs or lengthens the term of the license. If you talk to the people in underserved areas of Virginia likely they would be opposed to anything that would affect getting the broadband service that meets their current and future needs.

Please allow our small company and others across the county to have the low cost spectrum needed to deliver service to underserved markets.

Sincerely,

Lon Whelchel

CEO

AcelaNet, LLC

d.b.a. SCS Broadband