

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	

**LAST MILE BROADBAND LLC
MOTION FOR EXTENSION OF TIME**

Pursuant to Section 1.46(c) of the Federal Communications Commission’s (“Commission” or “FCC”) rules,¹ and by and through its undersigned counsel, Last Mile Broadband LLC (“Last Mile” or the “Company”), does hereby respectfully request an extension of time in which to secure the Letter of Credit (“LOC”) from one of the top 100 largest banks in the United States; or alternatively, to waive this requirement to allow a non-top 100 bank with a 4-star rating to issue the LOC to Last Mile. The Company submits the following in support of its motion.

Background

Last Mile is a start-up limited liability company incorporated in Maryland in July 2012 with a mission to provide high-speed Internet service to rural, underserved and unserved areas in Prince George’s County (the “County”) and throughout the state of Maryland.

Since its incorporation in 2012, the Company has been conducting its due diligence to develop a broadband network to fulfill its mission and vision. As part of its business plan, Last Mile has entered into a public-private partnership with the County to access its telecommunications infrastructure and assets to aid the County in becoming a Gigabit-capable jurisdiction as a participant in the One Maryland: Inter-County Broadband Network.²

Additionally, since its incorporation, the Company, through one of its principals, has provided the County with outside consulting on developing a broadband network in the County that will provide broadband service to its rural areas; as well as its schools and libraries in communities where a significant percentage (at least 45%) of the student population are on free or reduced meals.

¹ 47 C.F.R. §1.46 (c) (2015).

² One Maryland: ICBN is the second largest Broadband Technology Opportunities Program (“BTOP”) grant recipient (\$115M) funded by the American Recovery and Reinvestment Act of 2009, and the first and only completely owned by state and local government that delivers broadband to every county in a state.

Justification for Extension of Time

Last Mile is a start-up company operating in the state of Maryland. It formally incorporated less than three (3) years ago and is still fulfilling the objectives of its business plan. It has yet to operate as a business in the state by providing telecommunications service to customers, and currently has an application for Eligible Telecommunications Carrier status pending before the Maryland Public Service Commission.

As a start-up, the Company is not yet generating revenue, which makes it difficult to secure funding from the top 100 largest banks in the U.S. The principals have found that such banks have very onerous lending requirements for capital and even a letter of credit.

Based on the business and marketing plans, Last Mile intends to seek funding and other tangible assets from a number of resources to construct its network and to offer service, including but not limited to: Prince George's County, Maryland (access to its middle mile broadband fiber network and more); the Maryland Broadband Cooperative (access to its communications towers and fiber network); U.S. Department of Agriculture, Rural Utilities Services, FY2015 (and beyond) Community-Oriented Connectivity Grant Program (application due February 17, 2015).

Last Mile also intends to seek funding from both traditional banking sources and venture capitalists such as the Industrial Bank of Washington, a banking institution with whom Last Mile is also affiliated, and the Telecommunications Development Fund.

Last Mile initially established a banking relationship with a state of Maryland bank, Old Line Bank, because it has an excellent reputation of working with local and small businesses in the state. It offers personalized business service and understands the banking and lending needs of start-up companies, like Last Mile. It is this institution that Last Mile would prefer to seek a LOC and had already taken steps to secure the LOC. As shown in Exhibit A, Old Line Bank has a four (4)-star rating with Bauer Financial's banks, thrifts and credit unions ratings.

An extension of time of 90-180 days is the minimum time necessary to secure the requisite collateral to apply and receive a LOC from either Old Line Bank or one of the top 100 largest banks in the U.S.

Despite its start-up status, the Company is not naïve as to the financial, technical and regulatory requirements to undertake such a mission. Its principals have a combined 40+ years of telecommunications project management, including facility and cable infrastructure installation, maintenance, upgrade and regulatory compliance.

As mentioned above, Last Mile received a commitment from Prince George's County, in filing its Expression of Interest in this proceeding, to provide the following funding commitments, services and access: (1) additional funding for building the backbone or middle-mile connectivity to support the build out of the last mile wireline and wireless broadband connectivity to the proposed service area; (2) access to key County assets such as fiber, conduit, utility poles and real estate; (3) assist with accessing state-owned resources such as towers and

fiber networks; and (4) streamline local permitting and inspection process to support the Company's network construction.³

To bring much needed broadband service to the eight (8) Census blocks that Last Mile provisionally won Connect America funding ("CAF"), the Company estimates that the construction/installation costs will be approximately \$3-4M. This includes \$300,000 that will be necessary to create the administrative support to handle marketing, customer service and billing for its anticipated Lifeline and non-Lifeline customers.

The Company is not seeking exemption from LOC requirement but additional time in which to secure the collateral necessary to secure the LOC, which in essence works like a loan. The Company's business plan anticipated using as much grant funding as possible from a variety of resources, including Federal, state, County and private investors. The Company's applications for grant funding all happen to be pending with these various organizations.

The provisional award of \$260,000 to construct a broadband network in very high cost areas of the County is not at great risk of CAF funds for denial of this motion. The Commission has placed other financial safeguards to protect CAF funding in this matter (i.e., default and enforcement action).

Finally, Last Mile believes the Commission should be more liberal in the application of hard deadlines and collaborate with small businesses and start-up companies. The Commission expressed excitement over the number of expressions of interest filed by a wide range of entities proposing service over diverse technologies as well as the number applicants that participated in the auction for CAF funding, citing that bidders included a diverse group of entities, including competitive providers, electric utilities, wireless Internet service providers and others.⁴ Last Mile is exemplary of the type of new entrants into the telecommunications industry that the FCC is seeking. It is in the public interest to ensure that local providers like Last Mile play an important role in delivering high-speed Internet service to rural and underserved areas. Therefore, liberal application of the Commission's rules is beneficial to new entrants like Last Mile.

³ See Last Mile Broadband LLC Expression of Interest and Letter of Support prepared by Prince George's County filed in *Rural Broadband Experiments Order*, March 7, 2014.

⁴ See *FCC Launches Rural Broadband Expansion Experiments* WC Docket Nos. 10-90, 14-58, News Release, (FCC rel. July 11, 2014). See also *Rural Broadband Experiments Draws Interest from Almost 200 Applicants*, WC Docket Nos. 10-90, 14-58, News Release, (FCC rel. Nov. 12, 2014).

Conclusion

Based on the foregoing, Last Mile believes that an extension of time of 90-180 days to secure a letter of credit from a top 100 largest U.S. bank or, if permissible, Old Line Bank, is warranted and in the public interest to ensure that unserved, underserved and rural areas in the state of Maryland obtain the technological advance that broadband can bring.

Last Mile Broadband LLC respectfully requests grant of the instant Motion for Extension of Time.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tamara Davis Brown". The signature is written in a cursive, flowing style.

Tamara Davis Brown

Counsel for Last Mile Broadband LLC

February 2, 2015

Exhibit A (attached)

cc via email: Ian Forbes, Wireline Telecommunications Bureau, Telecommunications Access Policy Division

EXHIBIT A

Home Rates Calculators Mobile

Search

- MORTGAGES
- BANK RATES
- CREDIT CARDS
- INSURANCE
- AUTO
- INVESTMENTS
- TAXES
- RETIREMENT
- FINANCIAL PLANNING

advertisement

SAFE & SOUND[®] STAR RATINGS

Print [Subscribe](#)

[Compare 1 year High Yield CDs](#)

Banks/Thrifs, Old Line Bank, \$1 B - < \$5 B

SAFE AND SOUND RATING SYSTEM

Click column heading to sort						
Institution	State	ZIP	Asset Size	Star Rating	Memo	Financial Statement
OLD LINE BANK	MD	20716	\$1 billion - < \$5 billion	★★★★	Memo	Statement

Ratings structure

Presented below is an explanation of Bankrate's Safe & Sound rating system for commercial banks, savings institutions and credit unions:

Star rating	Definition
★★★★	Superior See our awards download page.
★★★★	Sound See our awards download page.
★★★	Performing
★★	Below peer group
*	Lowest rated
Not Rated "NR"	Complete data not available
Closed	Institution is closed
G	Designates high growth
.	Effective with the Q1 2013 update, we will no longer be rating small credit unions with assets of less than \$5 million.

4 or 5-star institutions: [See our awards download page](#)

Modify Search

Choose institution type:

Banks/Thrifs Credit Union

Search by name:

Choose star rating:

Search by asset size:

Headquarters advanced search by state/city/ZIP

[Update](#)

CD RATES AVERAGES

Product	Rate	Change	Last week
1 Year CD	1.06%	▲ 0.00	1.06%
2 Year CD	1.17%	▼ 0.01	1.18%
5 Year CD	1.78%	▼ 0.02	1.80%

VIEW RATES IN YOUR AREA [SEARCH](#)

Like 92 people like this. Sign Up to see what your friends like.

[Share](#)

COMPARE CDS & INVESTMENT

Certificates of Deposit (CDs)

- High yield 6 month CD
- High yield 1 year CD
- High yield 2 year CD
- High yield 5 year CD
- High yield jumbo 6 month CD [See all CDs](#)
- High yield jumbo 1 year CD
- High yield 5 year IRA CD
- Local 1 year CD
- Local 2 year CD

Money Market Accounts (MMAs)

- High yield MMA
- High yield \$10,000 MMA
- High yield \$25,000 MMA
- High yield \$50,000 MMA
- High yield jumbo MMA
- Local MMA
- Local \$10,000 MMA
- Local \$25,000 MMA
- Local \$50,000 MMA
- See all MMAs

PARTNER CENTER

advertisement

advertisement

advertisement