

SJB LLC dba San Joaquin Broadband
5195 Pinyon Jay Rd
Parker, CO 80134

April 13, 2015

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: ***Connect America Fund (“CAF”), WC Docket No. 10-90; Rural Broadband Experiments (“RBE”), WC Docket No. 14-259; Notice of Oral Ex Parte Presentation***

Dear Ms. Dortch:

On Friday, April 10, 2015 Michael Donnell and Ron Turner of SJB LLC, affiliate of Michael D. Donnell dba San Joaquin Broadband; and Nicholas Oliva of Capitol Steps Consulting LLC met by telephone with Alex Minard and Heidi Lankau of the Commission’s Wireline Competition Bureau (“Bureau”) to discuss issues related to the above-referenced proceedings. Specifically, the following five topics were discussed:

1. SJB LLC **does not** agree with the Alliance's proposal to reduce the LOC requirements by 50% at the beginning of the grant period¹ as doing so would put a large portion of the grant funds "at risk"; and for CAF Phase II bids, a reduction may also attract unscrupulous or undisciplined bidders.
2. Per the instructions provided by the Commission, all RBE participants should have factored the cost² of the LOC requirement into their bids before submitting the bids.

¹ Alliance of Rural Broadband Applicants Petition for Waiver, WC Docket Nos. 10-90 and 14-58 (filed Jan. 27, 2015) at iv, and at 10.

² *Connect America Fund; ETC Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014) ("Rural Broadband Experiments Order") at ¶64.

3. Michael D. Donnell dba San Joaquin Broadband (“SJB”) is fully prepared to participate in the RBE and CAF Phase II without needing any leniency on the LOC requirement. And, in fact, SJB had submitted the required commitment letter³ for the LOC on the same date⁴ that the Bureau’s Order⁵ was released that denied all waivers of the Audited financial statements requirement.
4. As outlined in its Petition for Reconsideration⁶, SJB has produced Audited financial statements for its affiliate⁷, SJB LLC, through which it is fully prepared to move forward to meet the broadband public interest obligations for all of its RBE bids as soon as its Petition for Reconsideration is granted.
5. SJB LLC agrees with USTelecom and favors tailoring the LOC requirements to reflect the amount of funds that are “at risk”⁸, by reducing the LOC requirements only as construction and service milestones are met by the bidder. Tailoring the LOC requirement in this way promotes a more efficient use of the grant funds while still protecting the funds throughout the entire period of support.

Pursuant to Section 1.1206 of the Commission’s Rules, this letter is being filed electronically via the ECFS in the above-captioned proceeding. Please contact me if you have any questions regarding this matter.

Sincerely,

/s/ Michael D. Donnell

Michael D. Donnell

cc: Alex Minard
Heidi Lankau

³ See Rural Broadband Experiments Order at ¶54.

⁴ Petition for Reconsideration of Michael D. Donnell d/b/a SAN JOAQUIN BROADBAND, WC Docket Nos. 10-90 and 14-259 (filed Mar. 2, 2015) (“SJB Petition for Reconsideration”) at 1.

⁵ See Order by the Deputy Chief of the Wireline Competition Bureau released January 30, 2015, DA 15-139, WC Docket Nos. 10-90 and 14-259 (filed Jan. 30, 2015) (“Order”).

⁶ See SJB Petition for Reconsideration.

⁷ See http://transition.fcc.gov/wcb/FAQ_Rural_Broadband_Experiment.pdf (last viewed Mar 3, 2015) (“RBE FAQ v2”) at section VI. Conditions for Funding ¶C.

⁸ See Comments of the United States Telecom Association, WC Docket Nos. 10-90 and 14-259 (filed Mar. 30, 2015).