

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Connect America Fund) WC Docket No. 10-90
)

To: Chief, Wireline Competition Bureau

**SUPPLEMENT TO REQUEST FOR CORRECTION OF COMMON SHORT NAME
IN THE ALTERNATIVE CONNECT AMERICA COST MODEL**

On March 11, 2016, Rural Telephone Service Company, Inc. d/b/a Nex-Tech (“RTSC”) and Golden Belt Telephone Association, Inc. (“Golden Belt”) filed a request that the Commission change the identical Short Name of “RRLT” that has been assigned these separate and unrelated companies in Version 2.1 of the Alternate Connect America Cost Model (“A-CAM”), and assign a different Short Name to each company. RTSC filed the request to remove any and all misimpressions that these separately owned, controlled, and managed Kansas cooperative telephone companies are affiliates, and permit them to make the independent decisions to which they are entitled whether or not to opt into the A-CAM and its model-based support path for the ten-year period. RTSC now files this supplement to also request corrections to erroneous information that has been perpetuated in the FCC’s records since at least 2012.

I. Background

As discussed in further detail in the March 11, 2016 Request, RTSC and Golden Belt are wholly separately owned, controlled, and managed rural telephone companies. The only connection between RTSC and Golden Belt is that they hold indirect, non-controlling member interests in a limited liability company, Nex-Tech Wireless, LLC (“NTW”). Two other Kansas rural local exchange carriers, Mutual Telephone Company and Tri-County Telephone

Association, also hold indirect, non-controlling member interests in NTW. The four companies' member interests in NTW do not constitute the type of merger of interests, joint management, or control that would warrant treating RTSC and Golden Belt as identical or affiliated entities for A-CAM purposes.

On March 6, 2015, the FCC announced the availability of A-CAM Version 1.01, which incorporated changes to broadband coverage data submitted to the Commission.¹ The FCC also stated that a future version of A-CAM would incorporate more recent state broadband initiative data, which includes data obtained from the FCC Form 477.² On November 10, 2015, the FCC released a Public Notice in which it announced the availability of the Commission's Broadband Deployment Data collected through the FCC Form 477.³ In the FCC's data, the Commission attributed data for Golden Belt's subsidiary, GBT Communications, to an RTSC holding company, when no such holding company structure exists.⁴ Commingling RTSC and Golden Belt's information under a single Short Name gives the impression that the FCC is treating RTSC as a holding company with two separate study areas when that is not the case. Such erroneous information may lead to incorrect results in the A-CAM modeling, particularly when the FCC has stated that it will incorporate such information into a future version of A-CAM.

¹ See Public Notice, Wireline Competition Bureau Releases Alternative Connect America Cost Model Version 1.0.1 and Illustrative Results for Potential Use in Rate-of-Return Areas, DA 15-294 (rel. Mar. 6, 2015).

² *Id.*

³ See Public Notice, FCC Releases Data on Broadband Deployment as of December 31, 2014 Collected through FCC Form 477, DA 15-2015 (rel. Nov. 10, 2015).

⁴ See https://www.fcc.gov/form477/BroadbandData/Fixed/Dec14/Version1_0/KS-Fixed-Dec14.zip (last visited, Apr. 5, 2016).

II. Separation of RTSC and Golden Belt in the A-CAM Data is Needed to Ensure that Incorrect Information Does not Confuse Other Regulators, and that Information Previously Provided to Congress is not Misused by Competitors to Gain an Unfair Advantage Over RTSC.

The severance of RTSC's FCC Form 477 data from Golden Belt's information is necessary to ensure that A-CAM model-based support does not perpetuate incorrect assumptions or attributions based on data gathered through the FCC Form 477, and to avoid confusing other regulators, such as the Kansas Corporation Commission, that may rely on FCC A-CAM and other related information in making policy and other regulatory decisions affecting RTSC. Assigning separate Short Names to RTSC and Golden Belt will make clear that RTSC is not receiving greater amounts of federal support than it is actually receiving, and enable state regulators to make decisions based on accurate information showing that the companies are not affiliated. State regulator and legislature reliance on the FCC's data showing that RTSC apparently receives USF attributable to Golden Belt and NTW could lead to determinations that RTSC's state-based support should be curtailed, or that additional concessions should be provided to competitors. Indeed, the FCC's erroneous information has already been provided to Congress in two separate reports, and that incorrect data has been used by competitors to disparage RTSC.

On July 9, 2012, the Committee on Energy and Commerce for the U.S. House of Representatives sent the FCC a request for updated information regarding the Universal Service Fund programs.⁵ The Committee requested, among other things, a list of the top ten recipients by holding company, of high-cost support, as well as other related information for support recipients. In its response, the FCC reported to the Committee the amount of federal support

⁵ See Letter to FCC Chairman J. Genachowski from House Committee on Energy and Commerce (July 9, 2012), found at https://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2012letter.pdf (last visited Apr. 5, 2016).

received by eligible companies, and attributed NTW's USF support payments to RTSC, even though RTSC is not a holding company for NTW.⁶ As discussed above, NTW is a separate, four-company-owned wireless business. The improper attribution of NTW's USF support to RTSC artificially assigned more USF to RTSC than the company actually received, and incorrectly resulted in RTSC being classified as one of the top ten recipients of USF support nationwide.

On August 2, 2013, the Committee requested that the FCC update the information provided in response to the July 9, 2012 information request.⁷ In its response, the FCC not only continued to incorrectly attribute NTW's USF support to RTSC, but the agency reported that RTSC and Golden Belt were now somehow affiliated under common ownership or control.⁸ As a result, all of NTW and Golden Belt's USF support was erroneously attributed to RTSC. As discussed above, RTSC and Golden Belt are unaffiliated entities, and they are not under any common ownership or control. Competitors have seized upon that erroneous information to RTSC's detriment in filings with the FCC, and have falsely alleged that RTSC received more support than the company actually did. The misinformation in the FCC's A-CAM data through the commingling of the data for RTSC and Golden Belt distorts the amount of support that RTSC needs to provide advanced, high quality telecommunications service to its rural customers at reasonable rates.

⁶ See Federal Communications Commission Response to United States House of Representatives Committee on Energy and Commerce Universal Service Fund Data Request of July 9, 2012, Responses to Requests 1-19, found at https://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2012responses.pdf (last visited Apr. 5, 2016).

⁷ See Letter to Acting FCC Chairwoman M. Clyburn from House Committee on Energy and Commerce (Aug. 2, 2013), found at https://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2013letter.pdf (last visited Apr. 5 2016).

⁸ See Federal Communications Commission Response to United States House of Representatives Committee on Energy and Commerce Universal Service Fund Data Request of August 2, 2013, Responses to Requests 1-22, p. 5-12, n.1, found at https://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2013responses.pdf (last visited Apr. 5, 2016).

The Commission's data is collected from information submitted on the FCC Form 477. Rural Telephone surmises that the attribution of NTW's USF support to RTSC stemmed from an incorrect response to Question 4 on the FCC Form 477, which states that filers should "Use this drop-down list to select a single name, such as the holding company, to identify all commonly-owned or commonly-controlled filers." NTW should have used the name "Nex-Tech Wireless" in response to that question. However, NTW inadvertently inserted RTSC's name, and this incorrect response has been perpetuated in the FCC's Form 477 and other related information ever since. It is unknown how or why the FCC determined that Golden Belt was affiliated with RTSC. Regardless of the root cause of RTSC and Golden Belt being affiliated in the FCC's records, the simple fact is that these companies do not have any common ownership or control. Therefore, their FCC Form 477 data and related information should be separated, and they should be given different Short Names for purposes of the FCC's A-CAM model.

III. Conclusion

It is in the public interest for the FCC to correct the errors in the FCC Form 477 data to ensure that correct and accurate information is being used to determine where resources should be directed in order to advance broadband deployment to rural areas. It is also paramount that Congress and state regulators have reliable information from the FCC to enable them to make well-informed policy and regulatory decisions that will enable the public to receive the promised benefits of ubiquitous broadband services. Accordingly, RTSC requests that RTSC and Golden Belt be assigned different Short Names with respect to the A-CAM, and that the FCC Form 477 data be revised to correctly reflect that RTSC and Golden Belt are two separate companies, rather than being erroneously shown as affiliates that are under a fictitious RTSC umbrella holding company. RTSC further requests that NTW's data be separated from RTSC. NTW should be treated as a separate, stand-alone company because RTSC holds an indirect, non-

controlling interest in NTW, there are four companies that hold ownership interests in NTW, and it is inappropriate to attribute all of NTW's interests only to RTSC.

Respectfully submitted,

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