

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
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	

COMMENTS OF CRAIGVILLE TELEPHONE COMPANY, INC.
CHALLENGING COMPETITIVE COVERAGE IN A-CAM MODEL

On March 30, 2016, the FCC released its Order reforming the Universal Support Fund (USF) regime for rural local exchange carriers (RLECs).¹ One provision of the USF Reform Order was the creation of an alternative, incentive-based support mechanism, utilizing a “forward-looking, efficient mechanism [and] model-based support.”²

That Alternative Connect America Model (A-CAM) “excludes from support calculations those census blocks that are presumed to be served by an unsubsidized competitor.”³ The Order acknowledges that filed Form 477 data may not be accurate, however, so establishes a challenge process for “commenters to challenge the competitive coverage contained in the updated version of the model.”⁴

On April 7, the Wireline Competition Bureau (WCB) released a public notice commencing that challenge process.⁵ Accordingly, Craigville Telephone Company (Craigville), an RLEC serving

¹ Report and Order FCC 16-33, hereafter referred to as the “USF reform order.” Accessed at https://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0330/FCC-16-33A1.pdf.

² USF Reform Order, ¶4.

³ USF Reform Order, ¶159.

⁴ USF Reform Order, ¶71.

⁵ Public Notice DA 16-378. Accessed at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0407/DA-16-378A1.pdf.

northeastern Indiana, is challenging model assumptions regarding competitive coverage within the Craigville study area (320756).

Issue one: There is not an unsubsidized competitor offering residential service meeting the USF Reform Order’s speed standard within the Craigville study area.

The FCC’s rules define “unsubsidized competitor” as a provider of “*residential* fixed voice and broadband service that does not receive high-cost support” (emphasis added).⁶ In the USF Reform Order, the FCC creates additional requirements that must be met before unsubsidized competitor coverage can eliminate census blocks from model-based support. Among those requirements is the availability of broadband speeds of 10/1 or greater.⁷

Recently-released June 2015 Form 477 data identifies a wireless provider claiming to offer qualifying broadband speeds within the Craigville study area. Transworld Network, Corp. dba Wi-Power, FRN 0007566961, (Wi-Power) lists 10/1 or better speeds in 91 census blocks served by Craigville Telephone Company, according to the Form 477 data for the state of Indiana.⁸

Recent advertising information has suggested Wi-Power does not offer residential service at 10/1 speeds, however. Attachment A includes the text of an email communication from a sales representative of Wi-Power. The email explains that fastest residential packages available (the “Mega” and “Extreme” plans) are capable of sustained speeds of only 1.5 Mbps download, with burst speeds of up to 6 Mbps.⁹ Those speeds do not meet the standards established by the USF

⁶ 47 CFR § 54.5. This key definitional emphasis on residential service was echoed in the USF Reform Order at ¶128.

⁷ USF Reform Order at ¶131 notes “Upon publication of the preliminary list, there will a comment period in which competitors must certify that they offer both voice and broadband meeting the requisite requirements in a particular census block in order for that block potentially to be subject to a competitive overlap determination. Specifically, as suggested by several parties, they must offer: (1) fixed voice service at rates under the then applicable reasonable comparability benchmark, and (2) fixed terrestrial broadband service with **actual downstream speed of at least 10 Mbps and actual upload speed of at least 1 Mbps**; with latency suitable for real time applications, including Voice over Internet Protocol; with usage capacity that is reasonably comparable to offerings in urban areas; and at rates that are reasonably comparable to those in urban areas” (emphasis added).

⁸ Form 477 data accessed at <https://www.fcc.gov/form477/BroadbandData/Fixed/Jun15/Version%202/IN-Fixed-Jun2015.zip>.

⁹ An affidavit supporting the email communication is included as attachment B.

Reform Order to trigger the removal of model support. Accordingly, the Craigville census blocks listed in attachment F should be made eligible for model funding in the next run of the A-CAM.

Issue two: There is not an unsubsidized competitor offering comparably-priced broadband service within the Craigville study area.

This challenge has already established Wi-Power does not offer a residential broadband product meeting the USF Reform Order’s 10/1 speed standard. Wi-Power does, however, offer a business broadband product with those speeds. Even if the FCC was inclined to disregard the definitional emphasis federal law places on unsubsidized competitors offering qualifying *residential* broadband¹⁰ and instead treat Wi-Power’s business offerings as residential products, the Wi-Power service still fails an important FCC test.

Federal law holds that “consumers in all regions of the Nation . . . should have access to telecommunications and information services . . . that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.”¹¹ The 2011 Transformation Order established that unsubsidized competitors are those “offering voice and broadband service that meets our performance obligations,” including speed, latency, usage, and comparable rates.¹²

The USF Reform Order continued that approach, stating that census blocks are only precluded from support if the price of the unsubsidized coverage is reasonably comparable to what is found in urban areas.¹³ The public notice released on April 7, 2016 noted that “that the Bureau recently announced the results of the 2016 urban rate survey for fixed voice and broadband services . . . competing providers must meet those standards for voice and broadband service in the relevant census blocks in order to be deemed an ‘unsubsidized competitor.’”¹⁴

¹⁰ See 47 CFR § 54.5.

¹¹ 47 U.S.C. § 254(b)(3)

¹² 2011 Transformation Order at ¶1061 and again at ¶1095.

¹³ USF Reform Order at ¶131 notes “Upon publication of the preliminary list, there will a comment period in which competitors must certify that they offer both voice and broadband meeting the requisite requirements in a particular census block in order for that block potentially to be subject to a competitive overlap determination. Specifically, as suggested by several parties, they must offer: (1) fixed voice service at rates under the then applicable reasonable comparability benchmark, and (2) fixed terrestrial broadband service with actual downstream speed of at least 10 Mbps and actual upload speed of at least 1 Mbps; with latency suitable for real time applications, including Voice over Internet Protocol; with usage capacity that is reasonably comparable to offerings in urban areas; **and at rates that are reasonably comparable to those in urban areas**” (emphasis added).

¹⁴ Public Notice DA 16-378.

Indeed, on April 5 the Wireline Competition Bureau released a public notice containing the 2016 Urban Rate Survey.¹⁵ This survey listed the reasonably comparable benchmark for 10/1 broadband with unlimited usage at \$75.20.

Attachment C includes the text of an email communication from a sales representative of Wi-Power. The email outlines the pricing of various business broadband packages. The only package claiming to provide 10 Mbps service costs \$500 per month, more than \$400 over the reasonably comparable benchmark.¹⁶ As such, even if the FCC was willing to consider the Wi-Power business packages to be residential packages, no Wi-Power broadband product meets the standards established by the USF Reform Order to trigger the removal of model support. Accordingly, the Craigville census blocks listed in attachment F should be made eligible for model funding in the next run of the A-CAM.

Conclusion

Craigville appreciates the opportunity granted by the FCC to improve the model results. Given the facts as established by this challenge and pursuant to the USF Reform Order, we request that information accurately reflecting the competitive landscape within Craigville’s study area be incorporated “so that these updates [can be] reflected in the final version of the model that is released for purposes of the offer of support.”¹⁷

Respectfully submitted,

By: /s/ Lee VonGunten

General Manager

Craigville Telephone Company, Inc.

2351 N. Main Street

Craigville, IN 46731

¹⁵ Public Notice DA 16-362. Accessed at <https://www.fcc.gov/document/2016-urban-rate-survey-pn>.

¹⁶ Attachment D contains an affidavit supporting the email communication.

¹⁷ USF Reform Order at ¶71.

From: Litz, Elizabeth [mailto:elitz@twncorp.com]
Sent: Wednesday, April 06, 2016 10:50 AM
To: lee@adamswells.com
Subject: Wi-Power Residential Internet

Hello Lee,

I am following up with your request for a quote for high speed services for your home. Based on the address you provided, you are in fact serviceable for the high speed internet. Here is the breakdown of the plans and speeds:
Power Plan – sustained speed of 0.5M bursting up to 2Mb download and an upload of 1M - \$43.95
Turbo Plan - sustained speed of 1M bursting up to 4Mb download and an upload of 1M - \$59.95
Mega Plan - sustained speed of 1.5M bursting up to 6Mb download and an upload of 1M - \$75.95
Extreme Plan – sustained speed of 1.5M bursting up to 6Mb (same download as the Mega) and an upload of 1.5M - \$86.95

All of our plans are **unlimited access**, there are no caps or restrictions on how much you can download like other providers.

As far as the installation goes, our install rates are as follows:

3 year term = FREE INSTALL (promo)
2 year term = \$49.99 install fee
No Contract Term = 99.99 install fee (promo)

Also, when you call to set up service, you don't have to pay anything up front, you would only pay for the service on the day we go out to install you! If it turns out for some reason that we are NOT able to install you, there is NO COST for us to come out and check!

If you have any further questions or need more information than what I provided, please either reply to this email or give me a call toll free at **1-855-891-4790**

I am in the office Monday through Friday 9:30 am- 6:30 pm. (eastern standard time) If you get my voicemail, please leave me a message as I check it throughout the day.

Thank you,

Liz

Elizabeth (Liz) Litz
Sales Representative
Direct Line 1-855-891-4790 or 1-800-253-0665 ext 4390
elitz@twncorp.com
www.wi-power.com

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Compensation Regime)	

AFFIDAVIT OF LEE VONGUNTEN

I, Lee VonGunten, attest that my statements are true to the best of my knowledge.

1. My name is Lee VonGunten. I am the General Manager of Craigville Telephone Company. My business address is 2351 N Main St, Craigville, IN.
2. At 10:50 am on April 6, 2016, I received an email from Elizabeth Litz, a representative of Wi-Power, responding to my inquiry regarding Wi-Power residential service.
3. The text of that email has been unaltered and is included as attachment A of this challenge filing.
4. This completes my affidavit.

/s/ Lee VonGunten

Lee VonGunten, General Manager
Craigville Telephone Company

From: Litz, Elizabeth [mailto:elitz@twncorp.com]
Sent: Wednesday, April 06, 2016 10:50 AM
To: lee@adamswells.com
Subject: Wi-Power Business

Hello Lee,

I wanted to touch base with you regarding your request for our business class pricing.

The business class plans break down to essentially \$50 per Mb and the pricing would break down as follows:

2M down/2M up = \$100 per month
3M down/3M up = \$150 per month
4M down/4M up = \$200 per month
5M down/5M up = \$250 per month
6M down/6M up = \$300 per month
7M down/7M up = \$350 per month
8M down/8M up = \$400 per month
9M down/9M up = \$450 per month
10M down/10M up = \$500 per month

****ALL PLANS WOULD ALSO HAVE AN ADDITIONAL \$12.00 MONTHLY MAINTENANCE FEE FOR THE EQUIPMENT****

All Business class customers have priority to the tower and are considered VIP's, therefore there is a special VIP Hotline to assist with any questions or technical issues

If you have any further questions or need more information than what I provided, please either reply to this email or give me a call toll free at 1-855-891-4790.

Have a great day and hopefully I will talk to you soon!

Thanks,
Liz

Elizabeth (Liz) Litz
Sales Representative
Direct Line 1-855-891-4790 or 1-800-253-0665 ext 4390
elitz@twncorp.com
www.wi-power.com

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3. The text of that email has been unaltered and is included as attachment C of this challenge filing.
4. This completes my affidavit.

/s/ Lee VonGuntten

Lee VonGuntten, General Manager
Craigville Telephone Company

Craigville Telephone Company

Census Blocks Inaccurately Listed as Served by an Unsubsidized Competitor

Transworld Network, Corp. dba Wi-Power, FRN 0007566961

180010304001028	181790403002015	181790403002080
180010304001030	181790403002016	181790403002081
180010304001058	181790403002017	181790403002082
180010304001061	181790403002018	181790403002083
180010305004008	181790403002019	181790403002085
180010305004009	181790403002020	181790403002087
180010305004031	181790403002021	181790403002091
180010305004054	181790403002023	181790403002093
181790403001003	181790403002024	181790403002094
181790403001022	181790403002025	181790403002096
181790403001023	181790403002026	181790403002101
181790403001024	181790403002027	181790403002109
181790403001025	181790403002028	181790403002111
181790403001026	181790403002029	181790403002112
181790403001027	181790403002030	181790403002113
181790403001038	181790403002031	181790403002114
181790403001043	181790403002032	181790403003000
181790403002000	181790403002041	181790403003001
181790403002001	181790403002043	181790403003002
181790403002002	181790403002044	181790403003010
181790403002003	181790403002051	181790403003063
181790403002004	181790403002052	181790404001028
181790403002006	181790403002053	181790404002000
181790403002007	181790403002054	181790404002001
181790403002008	181790403002056	181790404002002
181790403002009	181790403002058	181790404002004
181790403002010	181790403002059	181790404002005
181790403002011	181790403002060	181790404002010
181790403002012	181790403002065	181790404002011
181790403002013	181790403002075	181790404002012
181790403002014	181790403002076	181790404002013
181790404002023	181790403002077	181790404002014
181790404002049	181790403002078	181790404002015
	181790404002022	181790404002021