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VIA ECFS

June 1, 2016

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE: Leaco Rural Telephone Cooperative, Inc. Update to Request For Limited Waiver And Extension Of Mobility Fund Phase I Public Interest Obligations, WC Docket No. 10-90 and WT Docket No. 10-208

Dear Ms. Dortch:

By this letter, Leaco Rural Telephone Cooperative, Inc. (“Leaco”) provides an update on and summary of the twelve (12) projects for which the Federal Communications Commission (“FCC”) awarded Leaco Mobility Fund Phase I (“MFI”) support.¹ The 12 projects are in census tracts that are identified by the following Study Area Codes (“SACs”): 498001, 498002, 498003, 498004, 498005, 498006, 498007, 498008, 498009, 498010, 498011, and 498012.

¹ On October 3, 2012, the FCC announced that Leaco was a winning bidder in Auction 901 for MFI support to construct a 3G wireless network to provide coverage to over 11,000 previously unserved road miles in 12 census tracts in New Mexico. *See Mobility Fund Phase I Auction Closes; Winning Bidders Announced for Auction 901*, Public Notice, AU Docket No. 12-25, 27 FCC Rcd 12031 (2012) (“*Auction 901 Closing Public Notice*”). On June 7, 2013, the FCC authorized Leaco to receive its initial disbursement of MFI support. *See Mobility Fund Phase I Support Authorized For Fourteen Winning Bids*, Public Notice, AU Docket No. 12-25, 28 FCC Rcd 8292 (2013). This established June 8, 2015, as the two-year deadline for construction and drive testing of Leaco’s 3G network in the supported census tracts. *See* 47 C.F.R. § 54.1006(a).

Prior to the June 8, 2015 completion deadline (“Completion Deadline”), Leaco completed construction of the 3G network and submitted drive test results for five (5) SACs, specifically SACs 498003, 498009, 498010, 498011, and 498012. Leaco requested final payment (Payment 3, Form 690) from the Universal Service Administrative Company (“USAC”) for these five SACs, and USAC disbursed these funds.

Also prior to the Completion Deadline, on April 16, 2015, Leaco filed a waiver request seeking an extension of the Completion Deadline for the MFI projects in the remaining seven (7) SACs (“Waiver SACs”) due to numerous significant delays outside of Leaco’s control.² Since that time, Leaco completed construction for five (5) of the seven (7) Waiver SACs, and submitted drive test results to USAC on the following dates: 498004 (July 21, 2015), 498007 (December 3, 2015), 498002 (December 22, 2015), 498008 (February 17, 2016), and 498006 (March 10, 2016). Leaco has requested final payment (Payment 3, Form 690) from USAC for these five SACs. Leaco has accepted the final report from USAC for SACs 498004, 498007, and 498002, and is waiting for the final report from USAC for SACs 498008 and 498006. Following USAC’s issuance of final reports for SACs 498008 and 498006, and Leaco’s anticipated acceptance of those reports, disbursement of funds associated with the final payment requests for these five (5) Waiver SACs depends on FCC grant of Leaco’s Amended Request.

Leaco did not complete construction for the two remaining SACs in the MFI project, specifically SACs 498005 and 498001. In the Second Amendment, Leaco informed the FCC that Leaco had notified USAC on June 4, 2015, that Leaco would not complete construction for SAC 498005.³ Subsequently, Leaco returned all MFI funds already disbursed for SAC 498005, and paid the required default penalty. In the Second Amendment, Leaco also alerted the Commission that Leaco would not be completing network construction for SAC 498001, that Leaco would repay the MFI funds already disbursed for SAC 498001 plus the required default

² See Leaco Rural Telephone Cooperative, Inc. Request For Limited Waiver And Extension Of Mobility Fund Phase I Public Interest Obligations, *Connect America Fund, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90 and WT Docket No. 10-208 (filed Apr. 16, 2015) (“Waiver Request”). Leaco subsequently amended the Waiver Request to request additional time for SACs 498002, 498008, and 498006. See Leaco Rural Telephone Cooperative, Inc. Second Amendment of Request For Limited Waiver And Extension of Mobility Fund Phase I Public Interest Obligations, *Connect America Fund, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90 and WT Docket No. 10-208 (filed Nov. 24, 2015) (“Second Amendment”); see also Letter to Marlene H. Dortch, Secretary, FCC, from Gregory W. Whiteaker and Robin E. Tuttle, Amendment to Leaco Rural Telephone Cooperative, Inc. Request For Limited Waiver And Extension Of Mobility Fund Phase I Public Interest Obligations, WC Docket No. 10-90 and WT Docket No. 10-208 (filed July 31, 2015) and Letter to Marlene H. Dortch, Secretary, FCC, from Gregory W. Whiteaker and Robin E. Tuttle, Leaco Rural Telephone Cooperative, Inc. Further Amendment to Request For Limited Waiver And Extension Of Mobility Fund Phase I Public Interest Obligations with respect to SAC 498002, WC Docket No. 10-90 and WT Docket No. 10-208 (filed Dec. 4, 2015) (the Waiver Request as amended, the “Amended Request”).

³ See Second Amendment, at n. 5.

penalty, and that Leaco would notify USAC that it was no longer requesting an extension of time to complete this MFI project.⁴ On June 1, 2016, Leaco notified USAC that Leaco would not complete network construction for SAC 498001 and that it would repay MFI funds already disbursed, as well as the required default penalty.

Leaco hereby requests that the FCC grant the Amended Request with regard to SACs 498002, 498004, 498006, 498007, and 498008, and direct USAC to disburse final MFI funds according to USAC's final reports for these SACs (when accepted by Leaco). Leaco has deployed a 3G network covering previously unserved road miles in extremely rural areas in New Mexico, and swift grant of the Amended Request would serve the public interest.

Leaco also reminds the FCC that SACs 498008 and 498006 account for almost one half of the 11,000 unserved road miles for which Leaco was awarded MFI funding, and almost one half of the \$6.7 million in support awarded to Leaco. Grant of the requested waiver with regard to these two SACs and disbursement of MFI funds according to the final payment requests are critical to the overall success of Leaco's MFI projects, and to the ongoing financial viability of Leaco. Denial of the requested relief with respect to these SACs would be catastrophic to Leaco.

Please contact the undersigned counsel if you have any questions.

Respectfully submitted,



Gregory W. Whiteaker
Robin E. Tuttle

*Counsel for Leaco Rural Telephone
Cooperative, Inc.*

cc: Gary Michaels (via electronic mail)
Rita Cookmeyer (via electronic mail)
Audra Hale-Maddox (via electronic mail)

⁴ See Second Amendment, at 4.