

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

In the Matter of)
)
Revision of the Commission’s Rules to Ensure) CC Docket No. 94-102
Compatibility with Enhanced 911 Emergency)
Calling Systems)
)
Amendment to Petition for Temporary Waiver)
by Leaco Rural Telephone Cooperative, Inc.)

To: The Commission

**Leaco Rural Telephone Cooperative, Inc. 2008 First Quarterly Handset Penetration
Status Report**

Leaco Rural Telephone Cooperative, Inc., (“Leaco”), by its attorney and pursuant to the Federal Communication Commission’s (“FCC” or “Commission”) December 20, 2007 *Order* in the above-captioned proceeding,¹ hereby submits its first report of 2008 on the status of its compliance with the 95 percent location-capable handset penetration requirement set forth in Section 20.18(g)(1)(v) of the Commission’s rules.²

I. Number and Status of Phase II Requests from PSAPs

Leaco received a request for Phase II enhanced 911 (“E911”) service from the Lea County public safety answering point (“PSAP”) on October 12, 2006 and a request for Phase II E911 from the Chaves County PSAP on January 12, 2007. Leaco has received no other PSAP requests.

II. Estimated Dates When Phase II Service Will Be Available to PSAPs Served by Leaco’s Network

Leaco is currently providing Phase II service to the Lea County PSAP and the Chaves County PSAP. Leaco expects Phase II service to be available to other requesting PSAPs served by Leaco within 6 months following the receipt of a valid request for service as required by Section 20.18(g)(2) of the Commission’s rules.³

¹ *In re Revision of the Commission’s Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, *Amendment to Petition for Temporary Waiver by Leaco Rural Telephone Cooperative, Inc.*, Order, DA 07-5079 (December 20, 2007) (“*Order*”).

² 47 C.F.R. § 20.18(g)(1)(v).

³ 47 C.F.R. § 20.18(g)(2).

III. Status of Leaco's Coordination Efforts with PSAPs and the State of New Mexico

Leaco remains in contact with its local PSAPs and the State of New Mexico in the State's efforts to help coordinate and implement both Phase I and Phase II E911 capabilities throughout the state. The state of New Mexico and Leaco's local PSAPs are aware of Leaco's handset penetration level and Leaco's extensive marketing efforts.

IV. Efforts to Encourage Customers to Upgrade to Location-Capable Handsets

Leaco has continued its marketing efforts that have been detailed in previous reports and in Leaco's September 12, 2007 Amendment to its Petition for Waiver ("Amendment") of the handset penetration requirement. In addition to the numerous aggressive measures outlined in Leaco's September 12, 2007 Amendment, Leaco turned off its TDMA network at the end of 2007. This measure has prompted customers holding on to TDMA handsets to convert to location-capable CDMA handsets. Leaco expects most of these customers to convert to location-capable handsets before the end of the month. Leaco is also working with what it believes is the largest pocket of analog holdouts – the oil workers on the outskirts of Leaco's network who use high-powered analog handsets for communications as well as to monitor oil wells – in order to persuade them that their analog options will soon expire.

With the March 12, 2008 deadline approaching, Leaco is considering turning down its analog service after February 18, 2008. This step, although drastic, would achieve 100 percent penetration immediately since Leaco has sold *only* location-capable CDMA handsets since it converted its network to CDMA. Another option Leaco is considering is giving away free location-capable handsets to the remaining holdouts without requiring a service contract in order to reach 95 percent. As a small carrier with a limited number of customers, Leaco has to balance these options with business concerns. In light of the slowdown in penetration rates that other carriers have reported as they approach the 95 percent benchmark, Leaco realizes that converting or cutting off the remaining analog holdouts is essential.

V. Extent of Subscribers with Analog Service Only

Leaco cannot determine the percentage of its analog-only customers that utilize service in areas where there is only analog service. Leaco currently serves approximately 4,000 customers in rural New Mexico.

VI. Information on Leaco's Implementation Status and Percentage of Customers with Location-Capable Handsets

To date, 87 percent of Leaco's subscribers have location-capable handsets.

Respectfully submitted,

_____/s/_____

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