



Public Knowledge

September 6, 2011

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Re: WC Docket No. 10-90; GN Docket No. 09-51; WC Docket No. 07-135; WC Docket No. 05-337; CC Docket No. 96-45

Dear Ms. Dortch:

Wally Bowen of the Mountain Area Information Network (MAIN) provided these answers to questions presented to him by Public Knowledge and the Benton Foundation. They concern his network's relative efficiency in providing broadband to certain hard-to-reach areas.

Respectfully submitted,

/s John Bergmayer
Senior Staff Attorney
Public Knowledge

* How much does it cost you to serve your average customer?

Approximately \$12 a month.

* What are your main costs (equipment, backhaul, customer support...)?

Payroll is our number one cost, with network connectivity and maintenance (including hardware repairs and upgrades) a close second.

* What is your main source of funding (payments from customers, grants, etc)?

ISP subscriber fees are by far our primary source of funding.

* What kind of entity are you (a sole proprietorship, a nonprofit, a corporation, etc)?

Nonprofit

* How many people do you employ? Are they based in your local community or elsewhere?

We have five full-time employees and three part-time employees. All are based in our local four-county service area.

* Is it cheaper for you to serve your average customer, than it would be for an outside carrier to serve that same customer?

We assume that it's cheaper for us to serve the average customer, as

we do not have the overhead and marketing costs of a commercial provider. Nor do we need to turn a profit or increase shareholder value. This is only an assumption because commercial providers consider their per-subscriber-cost proprietary information. However, we serve hard-to-reach customers that commercial providers refuse to serve. But these customers do not represent the “average.”

* What are the characteristics of your area that make you well-suited to serve it?

We live in a mountainous region where commercial providers cherry-pick the easy-to-reach customers. We are the only “last-mile” provider committed to serving households and businesses beyond the reach of the commercial providers.

* Are there features of the geography or population distribution that call for custom solutions?

Definitely. As noted above, the terrain in our region can be very challenging, which is why wireless solutions are more cost-effective than wired. Also, many of our lower-income, less-educated, and handicapped customers require more handholding and technical support. They are more comfortable dealing with a local provider.

* Does your service require customer support of a level that larger carriers might be unsuited to provide?

Yes. As noted above, many of our subscribers are intimidated by absentee commercial carriers. We also have very little turnover in our customer-support staff, so our subscribers enjoy being on a first-name basis with our staff. Likewise, our staff can provide a higher level of support because they develop a degree of familiarity

with our customers that is rare among commercial providers.

* If you were to make use of a small fund that enabled you to purchase extra equipment, what would you buy first? How many extra customers would this help you to serve?

We would replace our 900 MHz transceivers and customer-premise-equipment (CPE) with a more robust wireless technology that is less subject to rising levels of interference in the 900 MHz space.

* Do other providers serve your area? If so, how does your service compare with theirs?

The other providers in our area are AT&T in the Asheville area and Frontier in the surrounding rural counties. Charter cable also provides broadband service in Asheville and some of the rural towns, but they rarely reach beyond the town limits. Their service is generally more expensive, and they can deliver higher download speeds at the higher rates. But their service is generally limited to the more densely populated towns and neighborhoods.

* Please provide whatever other information you think would be relevant to the FCC in deciding whether to direct funds to organizations like yours.

Nonprofit, community-based networks like MAIN keep jobs local and help build social capital, unlike absentee-owned networks. As the rural electric and telephone networks have proven over the last seven decades, locally owned networks are better maintained and upgraded over time. By contrast, the history of absentee-owned networks, especially in more sparsely populated areas, is marked by

the failure to maintain and upgrade network infrastructure in a timely manner.

Moreover, absentee-owned networks deplete social capital in local communities by outsourcing jobs overseas and aggregating network staff in urban hubs. It's imperative that the FCC include benchmarks for local job-creation, network maintenance, and social capital-formation in its analytical models for USF reform.

Re-allocating USF support for broadband deployment in rural and other underserved areas WITHOUT factoring the local job-creation and social-capital impacts on local communities would be irresponsible and shortsighted.