

United States Senate

WASHINGTON, DC 20510

0395

March 9, 2012

The Honorable Julius Genachowski, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Genachowski:

We are writing in support of the petition of Allband Communications Cooperative for Waiver of Part 54.302 and the Framework to Limit Reimbursable Capital and Operating Costs.

Allband Communications Cooperative was the first telephone cooperative in the state of Michigan and is organized as a non-profit corporation. The Cooperative began service in 2005 and currently provides 163 lines in the Robbs Creek Exchange, an area previously without any telephone service, including 9-1-1. The Exchange currently comprises 177 square miles of rural, heavily forested land with an average population density of approximately one household or business per mile. It is also one of the most economically distressed areas in Michigan comprising counties with the second, third, and fourth highest unemployment rates in the state. Overall, the area has a 17.5 percent unemployment rate.

In 2005, Allband received a U.S. Department of Agriculture (USDA) Rural Development loan of over \$8 million to construct their fiber to the home network in the Robbs Creek Exchange. Then in 2010, Allband received two USDA Rural Development Broadband Infrastructure Project grants totaling almost \$10 million to expand its fiber optic network to serve 1,828 households and 115 businesses in the communities of Mikado, Curran, Spratt, Flanders, Lachine and Long Rapids. That brought the total federal investment in Allband to almost \$18 million dollars since 2005.

If Allband's petition is denied, it will have a profoundly negative effect on the cooperative. Allband will see a reduction in its Federal Universal Service Fund revenues of \$5,569 per-line annually, an approximately 55 percent reduction in total regulated revenue. Further, this will result in Allband defaulting on its USDA Rural Development loan and the elimination of a critical service for the residents of the Robbs Creek Exchange.

The USDA loan was made based on the existing Universal Service Fund criteria which provided Allband with the cost recovery support required to maintain affordable customer rate levels while deploying the facilities necessary for service. This recovery mechanism was counted by USDA in calculating Allband's ability to repay the loan.

We ask that you give Allband's petition full and fair consideration. We also ask that you give it a prompt review and that you inform our offices of a timeline for its disposition. This response can be directed to the Traverse City offices at the addresses below.

Sincerely,



Carl Levin
107 Cass Street, Suite E
Traverse City, MI 49684



Debbie Stabenow
3335 S. Airport Road West, Suite 6B
Traverse City, MI 49684

CC: Mr. James J. Turner, State Director
United States Department of Agriculture, Rural Development



FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Carl Levin
United States Senate
269 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Levin:

Thank you for your letter regarding Allband Communications Cooperative's petition for waiver. I appreciate your bringing this matter to my attention and have directed the Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division to respond. I am pleased to provide the enclosed letter addressing your concerns.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski", written over a faint, large, stylized graphic element.

Julius Genachowski

Enclosure



Federal Communications Commission
Washington, D.C. 20554

July 2, 2012

The Honorable Carl Levin
United States Senator
107 Cass Street, Suite E
Traverse City, MI 49684

Dear Senator Levin:

Thank you for your March 9, 2012 letter requesting Commission action on a petition filed by Allband Communications Cooperative (Allband). Specifically, you expressed support for Allband's petition for waiver, filed February 6, 2012, of two high-cost universal service rules. Allband seeks a waiver of section 54.302 of the Commission's rules, which establishes a total limit on high-cost universal service support of \$250 per line per month, beginning July 1, 2012. Allband also seeks a waiver of the framework to limit reimbursable capital and operating costs.

The petition is actively under review by the Wireline Competition Bureau. I can assure you that the Bureau is making every effort to conclude its review as quickly and equitably as possible.

A copy of your letter is being entered into the record of the proceeding. Thank you for your interest in this important matter, and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "T+B10", with a long horizontal flourish extending to the right.

Trent B. Harkrader
Chief
Telecommunications Access Policy Division
Wireline Competition Bureau

cc: The Honorable Debbie Stabenow



FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Debbie Stabenow
United States Senate
133 Hart Senate Office Building
Washington, D.C. 20510

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United States Senator
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Trent B. Harkrader
Chief
Telecommunications Access Policy Division
Wireline Competition Bureau

cc: The Honorable Carl Levin