

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

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Universal Service Reform – Mobility)	WT Docket No. 10-208
Fund)	

**COMMENTS ON DELL TELEPHONE COOPERATIVE PETITION FOR WAIVER OF
CERTAIN HIGH-COST UNIVERSAL SERVICE RULES BY LEACO RURAL
TELPEHONE COOPERATIVE, INC.**

Leaco Rural Telephone Cooperative, Inc. (“Leaco”) submits these comments in response to the Public Notice released by the Wireline Competition Bureau on July 1, 2012 seeking comment on Dell Telephone Cooperative’s Petition for Waiver of Certain High-Cost Universal Service Rules filed on June 6, 2012 (“Petition”). In its Petition, Dell seeks waiver of specific rules recently enacted by the Federal Communications Commission (“Commission”). First, Dell 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. Second, Dell seeks waiver of the rule limiting reimbursable capital and operating expenses applied to High Cost Loop Support (HCLS). Third, Dell seeks a waiver of the updated and extended limits on recovery of corporate operations expenses applied to HCLS and Interstate Common Line Support (ICLS).

Leaco, is a cost-based rural rate of return carrier providing essential voice and broadband services to approximately 1,700 customers in eastern New Mexico. The characteristics of Leaco’s service territory are very similar to Dell’s. Leaco’s customer base consists primarily of farmers and ranchers that are spread out over 5,241 square miles of serving territory. Leaco’s customer

density per square mile served is .31 with some customers so remote that the only means of providing voice service is via fixed wireless.

Without the federal high-cost universal service programs, there would be no affordable voice or broadband services available to customers residing in the areas served by both Leaco and Dell. Much of the high-cost support received to date by rural rate of return carriers was derived from regulated investments undertaken prior to the Commission's Reform Order and funded by the RUS. Denying the continuation of sufficient and predictable levels of support for investments already undertaken has placed rural customers in extremely high-cost to serve regions of the country at risk of losing access to essential voice and broadband services. As Dell points out in its petition, there is no other alternative terrestrial provider of voice service in its territory, a situation shared by Leaco and other rural carriers in New Mexico and Texas.

CONCLUSION

Given the dire financial situation facing Dell as a result of the FCC's USF reform policies and the very real possibility that its customers will lose essential voice service, Leaco supports Dell's request for waiver of the \$250 monthly per line support rule, waiver of the rule limiting reimbursable capital and operating expenses applicable to HCLS and waiver of the updated and extended limits on recovery of corporate operations expenses applicable to HCLS and ICLS.

Respectfully submitted,

LEACO RURAL TELEPHONE COOPERATIVE, INC.

By: Laura Angell

Laura Angell
CEO
220 West Broadway
Hobbs, NM 88260
575-370-5011

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