



OFFICE OF THE COUNTY ADMINISTRATOR
Matthew Huddleston

February 19, 2013

To: Chairman Julius Genachowski
Commissioner Mignon Clyburn Commissioner Ajit Pai
Commissioner Robert M. McDowell Commissioner Jessica Rosenworcel

Re: Conflict Between Provision of CAF Phase I Incremental Support and Broadband Stimulus Projects

Honorable Chair and Commissioners:

I am writing on behalf of Lake Communications and Lake County, Minnesota (collectively "Lake") to echo the concerns expressed by Arrowhead Electric Cooperative (Arrowhead) in its January 31, 2013 letter to the Federal Communications Commission (Commission). Lake Communications is the telecommunications firm hired by Lake County to manage the project funded by a Recovery Act's Broadband Infrastructure Program (BIP). CenturyLink intends to use Connect America Fund (CAF) Phase 1 Incremental support dollars in the same footprint as the Lake County BIP Project. Lake seeks your help to ensure such double funding is not allowed, i.e., so CAF funding dollars cannot be used within the service area of an approved BIP project.

The Lake and Arrowhead situations are very similar: each carrier was awarded BIP grants and loans¹ to provide fiber-to-the-home broadband service to areas where the incumbent service provider had elected not to serve.² CenturyLink, the incumbent carrier in each case, has since announced its acceptance of CAF dollars overlapping BIP project service area, where broadband service is not currently available and construction is in progress. CenturyLink's filings³ list 65 census blocks which overlap the Lake County BIP Project. The gap in Commission policies and rules enabled this double expenditure of federal dollars within the same footprint. Failure to address this policy gap will enable the expenditure of CAF project dollars and BIP project dollars within a relatively sparsely populated area.

¹ Lake County received almost \$66.3M in BIP grants and low interest loans.

² Lake County is building FTTH broadband service to homes and business in 1,358 census blocks in northeastern Minnesota.

³ *CenturyLink's Notice of Acceptance of Connect America Fund Phase 1 Incremental Support Incremental Support* WC Docket Nos. 10-90, 05-337, July 2012; *Connect America Fund*, WC Docket No. 10-90 – Comments of CenturyLink January 9, 2013

601 Third Avenue, Two Harbors, Minnesota 55616
Phone: 218-834-8322 or 218-834-8320
Email: matthew.huddleston@co.lake.mn.us

2/18/2013

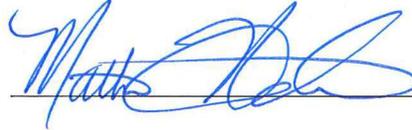
Lake heartily endorses the approach recommended by Arrowhead. The Commission should: 1) modify its rules to ensure CAF Phase 1 Incremental support funds are not available in an area already funded by a BIP Projects; 2) withhold a portion of the CAF Phase I support dollars until the applicants can verify that there is no overlap with BIP or BTOP-funded service areas; and 3) where such overlap does exist, require the applicants to re-file the acceptance letter, less the census blocks where BIP Project program projects will serve, and with the CAF Phase I dollars adjusted accordingly, or allow the dollars to be used for additional blocks identified.

Should you have any questions about this matter, please contact me.

Sincerely,

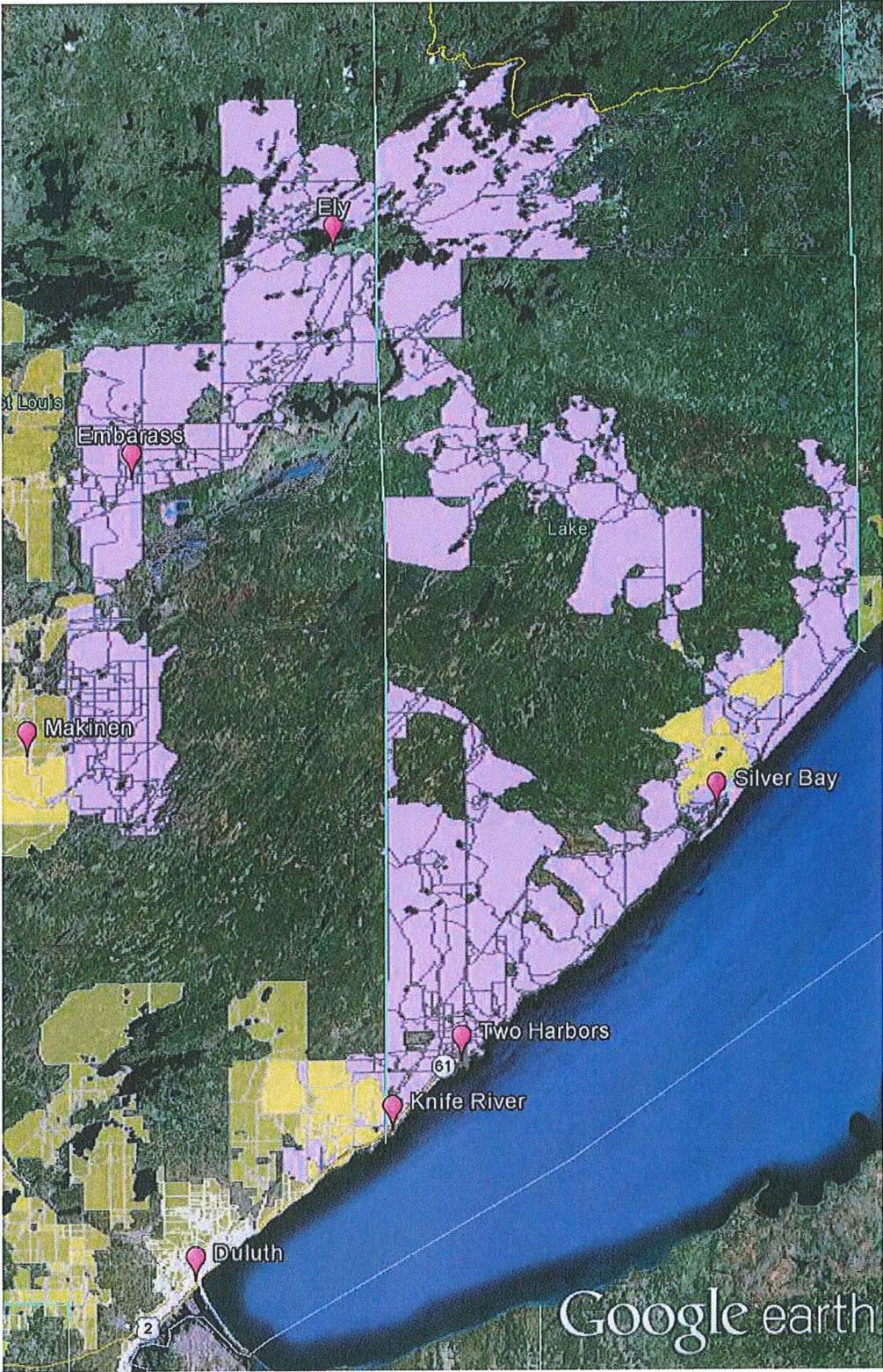


Jeff Roiland
Chief Executive Officer
Lake Communications

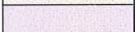
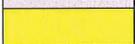


Mathew Huddleston
Lake County Administrator

Attachments



LEGEND

	CenturyLink CAF (no overlap with Lake)
	Lake BIP (no overlap with CenturyLink)
	Overlap of BIP and CAF

DATA SOURCE

CenturyLink CAF Acceptance Filing
Lake BIP Application

Listing of Census Blocks Where CAF Funding Overlaps with Lake BIP Project

GEOID10	CLLI
270753701001084	FNLDMNFO
270753701001117	FNLDMNFO
270753701001179	FNLDMNFO
270753701001244	FNLDMNFO
270753701001261	FNLDMNFO
270753701001266	FNLDMNFO
270753701001484	FNLDMNFO
270753701001486	FNLDMNFO
270753703001009	FNLDMNFO
270753703001014	FNLDMNFO
270753703002000	FNLDMNFO
270753703002002	FNLDMNFO
270753703002010	FNLDMNFO
270753703002012	FNLDMNFO
271370002004049	DLTHMNLA
271370002004050	DLTHMNLA
271370105001004	DLTHMNLA
271370105001007	DLTHMNLA
271370105001008	DLTHMNLA
271370105001010	DLTHMNLA
271370105001011	DLTHMNLA
271370105001015	DLTHMNLA
271370105001019	DLTHMNLA
271370105001021	DLTHMNLA
271370105001022	DLTHMNLA
271370105001023	DLTHMNLA
271370105001024	DLTHMNLA
271370105001027	DLTHMNLA
271370105001028	DLTHMNLA
271370105001029	DLTHMNLA
271370105001030	DLTHMNLA
271370105001031	DLTHMNLA
271370105001032	DLTHMNLA
271370105001033	DLTHMNLA
271370105001034	DLTHMNLA
271370105001037	DLTHMNLA
271370105001038	DLTHMNLA
271370105001039	DLTHMNLA
271370105001040	DLTHMNLA
271370105001042	DLTHMNLA
271370105001059	DLTHMNLA
271370105001064	DLTHMNLA

271370105001065	DLTHMNLA
271370105001068	DLTHMNLA
271370105002000	DLTHMNLA
271370105002001	DLTHMNLA
271370105002006	DLTHMNLA
271370105002032	DLTHMNLA
271370105002063	DLTHMNLA
271370105002076	DLTHMNLA
271370106001124	DLTHMNLA
271370106001125	DLTHMNLA
271370106001126	DLTHMNLA
271370106001127	DLTHMNLA
271370106001136	DLTHMNLA
271370106001137	DLTHMNLA
271370106001139	DLTHMNLA
271370106001140	DLTHMNLA
271370114002191	EVLTMNEV
271370114004004	EVLTMNEV
271370114004007	EVLTMNEV
271370114004008	EVLTMNEV
271370114004046	EVLTMNEV
271370152002000	VRGNMNV