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To: Federal Communications Commission Staff

From: La Motte Telephone Company/Andrew Telephone Company  
La Motte, Iowa 52054

Date: 02-26-2014

Subject: Expression of Interest-Rural Broadband Trials  
Docket 10-90

### **BACKGROUND**

La Motte Telephone Company is an ILEC located in eastern Jackson County, Iowa. Citizens of the area formed the La Motte Telephone Company in October of 1953 to bring telephone service to local residents when other carriers were not interested in serving our area. In November of 2011, La Motte Telephone Company purchased Andrew Telephone Company, a neighboring exchange, in an effort to consolidate companies and make use of all synergies. Located in very rural, agricultural communities with “Mom and Pop” businesses, La Motte and Andrew Telephone Companies have a long history of bringing current technology and excellent personal customer service to residents—many in hard-to-serve terrain—at an affordable price.

La Motte and Andrew Telephone Companies provide voice, DSL Internet, fiber-to-the-home broadband Internet (FTTH), and Internet Protocol TV (IPTV) within the exchange; and wireless Internet through towers in the surrounding areas outside the exchange, including the communities of Bellevue, Iowa, and Springbrook, Iowa. Through our partnership with iWireless, a PCS cellular service, we also provide mobile voice and data to our exchange and the surrounding areas.

Our current customer base with La Motte and Andrew Telephone Companies is 1000 possible subscribers. We are serving 719 residential customers and 189 business customers with voice service, 475 customers with DSL Internet, 60 customers with FTTH broadband Internet, and 100 customers with IPTV. We are currently working on a strategic plan to bring FTTH to every household, business, and school in the La Motte and Andrew exchange to enable us to fully serve all residents with broadband Internet and IPTV—something that limitations on the current copper plant does not allow.

### **GEOGRAPHIC TERRITORY**

La Motte Telephone is proposing to serve the La Motte and Andrew Telephone Exchange with a fiber-to-the-home (FTTH) service in census tract 9502, serving approximately 171 contiguous Census Blocks. Census Tract 9502 would reach roughly 80% of our customers, both residential and business, that we service in the exchange. La Motte and Andrew Telephone Companies will pass approximately 1000 households and businesses in this predominantly agricultural area.

Located in the Mississippi River region, we enjoy the beauty of rolling hills, bluffs, trees, rock, and waterways. But with this scenic terrain comes significant challenges in providing telecommunications services to residents and is the reason we are proposing doing fiber-to-the-home. Having provided wireless Internet to residents in the City of Bellevue for the last 10 years, and to the rural Springbrook area for over 5 years, La Motte Telephone Company has extensive experience with the wireless Internet product; particularly, what it can, and cannot, do.

We have learned that we can only service customers who have a direct “line-of-sight” to the tower. “Line-of-sight” means that the customer must be able to see the tower clearly, with no interfering trees or hills, in order to receive a solid Internet signal. The same applies for mobile cellular data. We have had numerous residents ask for our wireless service, only to be turned away because they live in a valley, behind a bluff, or are tightly surrounded by trees or other interfering structures.

We also need to take into consideration our IPTV product. IPTV requires a minimum of 10 Mg of bandwidth for each high-definition channel that is watched. If there are 3 TVs in each home, a minimum of 30 Mg is necessary just to watch television. When there are other peripheral devices also using bandwidth such as laptops, tablets, and gaming equipment, the bandwidth requirements are even greater. Wireless service through towers simply cannot handle this load and is more susceptible to weather-related outages—especially ice, a frequent occurrence in our area during colder months.

### **ANCHOR INSTITUTIONS**

The Andrew Community has a school and a library. The Andrew school has issued iPads to all of the students in the school, and their requirements for bandwidth are growing each year. Andrew and La Motte each have city council offices and volunteer fire departments. The volunteer fire departments require Internet service to complete online training; to communicate with, and obtain information from, state and county public safety agencies; and to allow its emergency medical technicians to communicate with the Jackson County Public Hospital and ambulance services.

### **PROPOSED TECHNOLOGY PLATFORM**

La Motte and Andrew Telephone Company is proposing a fiber-to-the-home application for Census tract 9502. The FTTH application would allow us to meet our customers’ significant broadband demands. Consuming the trio of voice, Internet, and IPTV requires a *minimum* of 30 Mg of high-speed bandwidth

per customer. This is not achievable through a wireless product, and attempting to do so would only place us back in the position in which we currently reside: too many underserved customers.

La Motte and Andrew Telephone Companies are Average Schedule Companies and our pricing is regulated by the Federal Government and reporting requirements. At the time of this filing, our voice products are as follows:

**La Motte**

- Voice: \$15.50 for residential and business lines

**Andrew**

- Voice: \$14.00 for residential and business lines

Our Internet bandwidth tiers start at 2 Mg and go to 10 Mg, which includes unlimited data usage. Pricing starts at \$35.95 and ranges to \$89.95.

With the FTTH application, we would start our Internet at 10 Mg per household, and using a tier system, allow for increases as demanded by customer usage. Pricing for this scenario would be dictated by the reporting requirements we have as an Average Schedule Company. We would be able to convert our current voice product to an IP-based system.

FTTH will allow us to bring more services to our customers, such as home security systems, video surveillance, advanced technology in agricultural farming practices and livestock management—these are products our customers are asking for the bandwidth to utilize NOW, but which we cannot accommodate in the majority of cases without FTTH. For example, with FTTH in rural areas, we can bring bandwidth to the home using fiber, then use a wireless Internet application to broadcast the bandwidth to the farmer’s shop, tractors, planting and harvesting equipment, and grain bin monitors for moisture and mechanical failures.

“Rural” should not mean second-class service. We believe our residents have the same right to technology access as our urban counterparts, and we are committed to bringing this access to our communities. Doing so ultimately benefits everyone, rural and urban, as our generations transition to a more global community.

**STATE AND/OR LOCAL OR TRIBAL GOVERNMENTAL PARTICIPATION**

At this time, we do not have participation from either our state or local governments. The reason for the local nonparticipation is the size of our town councils.

**EXISTING PROVIDERS**

US CELLULAR is a mobile cellular company that provides voice and data in our exchange. Because of the terrain in Jackson County, service is not always adequate. They currently advertise a shared plan with three phones and 6 GB of shared data for \$80 per month. This is metered bandwidth.

VERIZON WIRELESS is a mobile cellular company that provides voice and data in our exchange. They currently advertise shared plans with 6 GB for \$80 per month. This is a metered plan. The coverage is better with Verizon, but it is not available in all areas of our exchange.

SPRINT WIRELESS is a mobile cellular company that provides voice and data in our exchange. Sprint coverage is available in only certain locations.

PRAIRIE-NET is a wireless Internet company with service in portions of our exchange. They offer a 10 Mg package for \$49.95 per month; voice is an additional \$19.95 per month.

DISH NETWORK is a satellite TV and Internet provider with various packages available. Because this is a satellite service, the quality of the product is subject to weather conditions and clear line-of-sight. Dish is a TV product; phone service is not available.

DIRECT TV is a satellite TV and Internet provider with various packages available. They are also a satellite service, so the quality of the product is subject to weather conditions and clear line-of-sight.

HUGHES NET is a satellite Internet provider. They offer 10 GB of data for \$79.90, with voice service costing an additional \$19.95 per month for the first three months.

EXCEDE INTERNET is a satellite Internet provider. They offer 10 GB for \$49.95, plus either \$19.95 per month for equipment fees or \$199.00 up front for the equipment. This is a metered application. Speeds are not guaranteed and are not available in all areas of our exchange.

### **PROJECT TIMELINE**

We would be ready to start the project as soon as we receive approval notification—dependent on government regulations on engineering, Bacon–Davis, and contract bids. We estimate the project would take three years to complete. This time frame is only an estimate as the construction season in Iowa is quite short—particularly in wet years.

### **SCALABILITY**

Fiber-to-the-home is the best way to bring enough bandwidth into our customers' homes to meet with increasing demands. Fiber-to-the-home will not become outdated; as technology evolves and changes, fiber will still be relevant and adaptable to an all-IP network. Fiber-to-the-home is the one application that is able to bring large amounts of bandwidth into the customer home without replacing equipment.

Fiber will enable the agricultural community to access information and data that will make them good stewards of land and water, be more cost-efficient in raising livestock, be able to market crops to a global market, and be able to farm more acres in less time. Fiber will also enable local volunteer fire departments to do online training to keep up to date, and enable our city governments to research grants and government programs.

Aboveground fiber applications are subject to ice and wind-breakage of fibers in the cable; it is imperative that we bury fiber cable to protect this investment for the long term and to avoid large-scale, frequent outages.

### **TOTAL INVESTMENT**

La Motte and Andrew Telephone Company estimates the cost of providing fiber-to-the-home at around \$6 million. We would be asking for a one-time, up-front payment. The vast majority of this expense is putting cable in the ground. La Motte and Andrew Telephone Company has done all previous upgrades with cash on hand. We know how to be cost-efficient when doing a project!