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March 7, 2014

Via Electronic Comment Filing System

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 10-90 –Expression of Interest in Conducting Rural Broadband Experiment

Dear Ms. Dortch:

Enclosed for electronic filing via the Electronic Comment Filing System (“ECFS”) in compliance with Federal Communications (“FCC”) Order, FCC 14-5, is the attached non-binding Expression of Interest (“EOI”) for Johnson Telephone Company (“JTC”) regarding the Connect America Phase II network experiments. JTC appreciates the opportunity to file the non-binding EOI.

If you have any questions or concerns on the attached EOI, please contact me.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Dwayne Johnson'. The signature is written in a cursive style with a large, prominent 'D'.

Dwayne Johnson
General Manager
itcoffice@means.net
(218) 566-2302

Attachments (Non-binding EOI)

Non-Binding Expression of Interest – Phase II Rural Broadband Experiment

Johnson Telephone Company (“JTC”) submits this Expression of Interest (“EOI”) for Connect America Phase II Rural Broadband Experiments per Federal Communications Commission (“FCC”) Order, FCC 14-5. This is Stage 1 of the FCC’s Phase II experiment proposals and JTC anxiously awaits release of the Stage 2 formal proposal requirements.

Background

JTC is an Independent Local Exchange Carrier (“ILEC”) which was founded in 1957 and serves the communities of Remer, Boy River, and Federal Dam all located in rural Minnesota. JTC has eligible telecommunications carrier (“ETC”) status within each of these exchanges and will obtain ETC status in the proposed area if awarded. JTC has a proven success rate of deploying rural high-speed last mile broadband networks, voice service, and numerous other communications services. JTC is a current recipient of Universal Service Funding and therefore JTC’s organization has extensive experience with the requirements of filing required reports and maintaining support.

Proposed Service Area

JTC’s proposed service area is a rural area located in eastern Minnesota. The proposed service area covers the following census tract numbers which are located in Aitkin county Minnesota: 27001770100 and 27001770200. Completion of the proposed project would represent an edge out from our current operations as the proposed census tracts are contiguous to JTC’s ILEC serving area. Based on the Federal Communication Commissions (“FCC”) Public Notice, DA 14-154, report dated February 5, 2014 for price cap areas, the proposed project is estimated to provide broadband access to a total of 2,102 eligible high cost locations once completed, with 333 locations considered as extremely eligible high cost locations.

Since the eligible unserved high cost census blocks within the two selected census tracts have yet to be identified, JTC is unable to determine the total number of Community Anchor Institutions (“CAIs”) located within the proposed project area. However, JTC believes there is a school district and city offices are located within the proposed area. JTC currently services many CAIs within its current exchange areas and, if funded, could offer scalable high-speed broadband to CAIs located within the proposed service area.

Broadband Technology

As stated previously, the proposed service area is adjacent to JTC’s current service area and the existing network can be added on to provide service to the proposed census tracts. The proposed target area is sparsely populated, diminishing economies of scale for any broadband access technology, wired or wireless, therefore JTC anticipates utilizing a combination of Fiber-to-the-Premises (FTTP) and fixed wireless technologies (either 3G or 4G LTE) for the proposed project area in order to build a high-speed broadband network.

Once the final rules and unserved census blocks within the proposed census tracts for the Rural CAF Experiment are released by the FCC, JTC will better define the broadband technology placement within the proposed service area. However, for the modest service levels contemplated by CAF Phase II, fixed wireless provides an initial means to deliver this modest service quickly to sparse locations. For the longer term though, wireless capacity upgrade costs will rise much more steeply than that of fiber optic. Where there is any population density at all, only fiber optic will support the continually steeply increasing broadband demand for the long term without prohibitive upgrade costs.

This architecture would provide a robust, broadband networking solution that offers the flexibility to meet the customer demand. The deployed technology will enable JTC to offer a variety of communications and entertainment services, including high-speed Internet access, carrier-class telephony, Voice over Internet Protocol (VoIP), and interactive, two-way broadband services.

Service Offerings

The service offerings anticipated by JTC are voice service and high-speed broadband service. JTC expects to offer up to 50 Mbps at symmetrical and asymmetrical speed tier packages to all homes and businesses passed in the FTTP area, including CAIs within the proposed project area. Higher broadband speeds may be made available to CAIs that require higher bandwidth in the FTTP network area. JTC is not sure at this time what speeds will be available for the fixed wireless portion of the proposed area but it will be greater than what is available today with at least a 4 Mbps downstream and 1 Mbps upstream.

The pricing for proposed services have not yet been determined by JTC, but is expected to be similarly priced with services offered currently in the surrounding area and with JTC's current ILEC area pricing. JTC estimates the project to be completed within 18 to 24 months of project award.

Funding

JTC is unable to determine the total cost of the proposed project since the eligible unserved high cost census blocks within the two selected census tracts have yet to be identified, however based on the preliminary list of eligible unserved census blocks as well as JTC's experience with building broadband networks, JTC expects to complete the project within the funding constraints proposed for CAF Phase II. JTC expects to request half of the funding up front and the remaining half over a period of five years. The funding request will be due to the high cost of building a robust, scalable, high-speed broadband and voice network in rural Minnesota. Once the final rules and budget for the Rural CAF Experiment are released by the FCC, JTC will better define the project and applicable costs should a formal proposal be submitted.

Conclusion

JTC appreciates the opportunity that the FCC is providing by allowing rural independent local exchange carriers to submit an Expression of Interest for the Rural CAF Experiment. As stated above, JTC is considering a combination network build of FTTP and fixed wireless within two census tracts that are located within one county in Minnesota. By funding the proposed project, JTC can reach out to neighboring areas that lack access to high-speed broadband capabilities in rural Minnesota. The JTC proposed network would provide the residents, businesses, and CAI's in the FTTP portion of the network with a high-speed, robust, scalable broadband networking solution that offers virtually unlimited bandwidth to areas that has been lacking service. The fixed wireless network portion will provide a broadband networking solution to those that have been lacking in a quick turnaround time.

JTC is an experienced, dedicated, and committed telecommunications provider. The experienced staff is extremely knowledgeable and holds the resources to complete the proposed overbuild and deliver advanced services to each person who lives and works within the proposed service area. JTC is committed to providing a solution to the challenges the residents and businesses have with the current lack of high quality and dependable high speed broadband, however the proposed project cannot be completed without FCC funding. Thank you for taking this proposed project into consideration as the final rules and budget are set for the available experiments.