Advocates for Rural Broadband
Mark M. Gailey
President

Kelly Worthington
Executive Vice President

August 1, 2014

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

RE: WC Docket Nos. 10-90 and 14-58

Dear Ms. Dortch:

On Thursday, July 31, 2014, Roy Choates of Rural Broadband Services Corporation, Inc. ("RBSC") of Tahlequah, OK; and Derrick Owens of WTA – Advocates for Rural Broadband ("WTA") met with Rebekah Goodheart, Legal Advisor – Wireline to Commissioner Mignon Clyburn, to discuss rural broadband experiments.

Mr. Choates briefly shared information regarding his 47 years in the telecommunications industry and his long experience in planning, building and operating networks. He detailed his current efforts to bring very high-capacity (Gigabit level) broadband networks and services to the Cherokee Nation and its educational and health care facilities in and around Tahlequah, Oklahoma. The attached handout describes these matters in greater detail.

Mr. Choates discussed the difficulties encountered by entrepreneurs trying to enter the telecommunications and broadband businesses. RBSC has gone through the basic initiation rights of negotiating interconnection arrangements and pole attachments with large companies, and of convincing businesses and institutions to try its services. It is now preparing to seek from the Rural Broadband Experiment Program the financing it needs to expand and extend its fledgling Tahlequah area network to connect hospitals and schools via very high speed broadband in a 14-county area. However, he is concerned that Commission requirements for winning bidders to provide three consecutive years of audited financial statements within ten business days after public notice of their selection, and to obtain expensive irrevocable letters of credit before support will be disbursed, will block or disrupt RBSC's plans. As a start-up, RBSC does not have three years of financial statements, and would have to pay for a letter of credit with funds it urgently needs for infrastructure investment and service deployment. Even if waivers of one or both requirements are deemed likely to be granted, the uncertainty, delays and expense of preparing and prosecuting the necessary waiver requests are a substantial disincentive to the participation of start-ups in the experiments.

WTA notes that AT&T appears to have indicated that the Tahlequah area is not included in its broadband deployment plans for the foreseeable future, so that RBSC is the best hope that this area will gain access to the broadband grid at this time. It urges the Commission to consider technical, business and entrepreneurial experience as alternative qualifications for its rural broadband experiments, and not to put excessive emphasis upon established access to internal funds and outside financing.

There was also discussion regarding alternatives for RBSC participation in the Rural Health Care Program and the Lifeline Program.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceedings.

Respectfully submitted,

Gerard J. Duffy
WTA Regulatory Counsel

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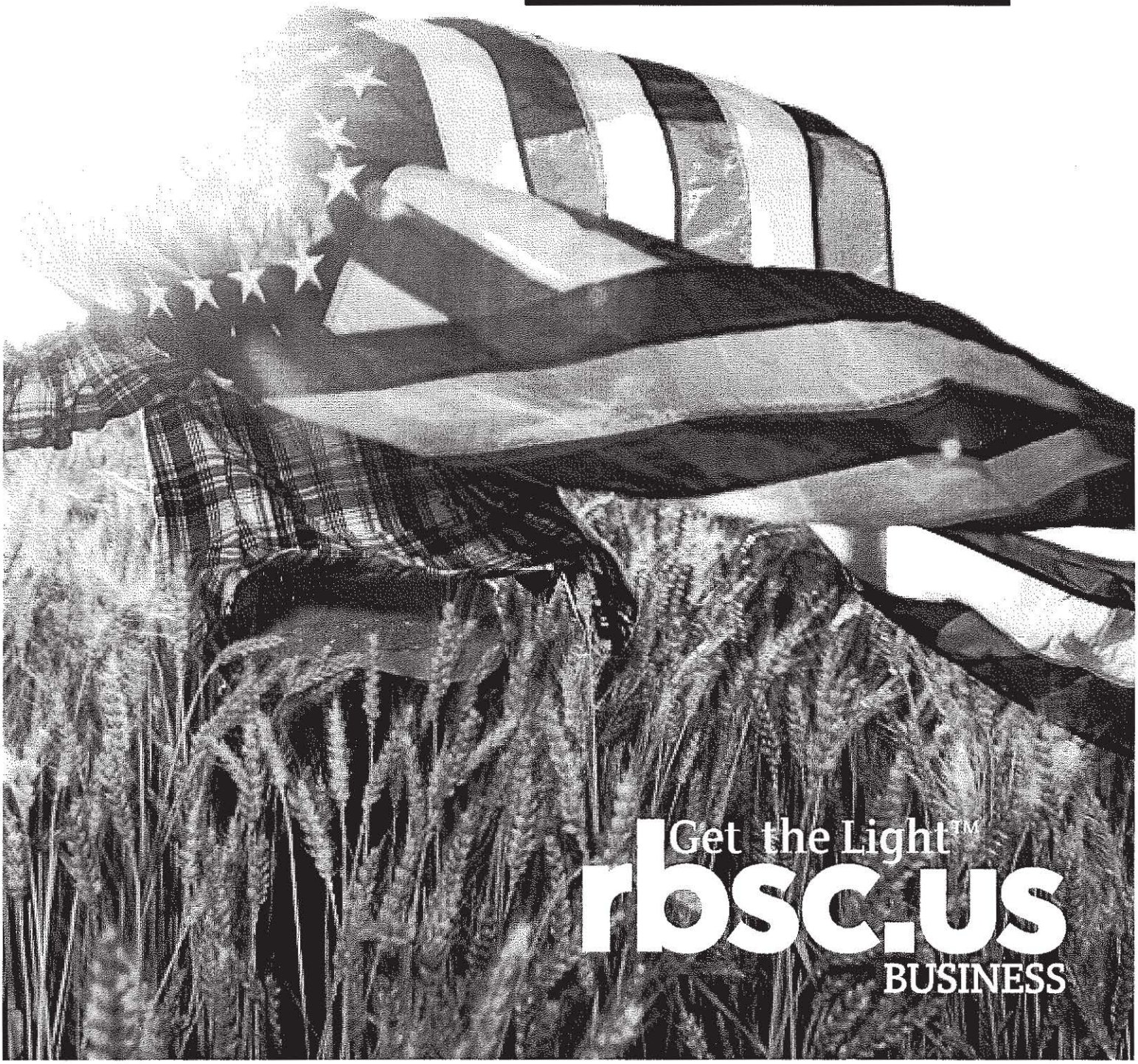
cc: Rebekah Goodheart

Attachment

Bridging the Technology Gap between Urban and Rural Ameria



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BUSINESS

Startup Rural Broadband Services Corporation Has Big Plans

A startup company known as Rural Broadband Services Corporation has big plans for rural Tahlequah, Oklahoma – plans that RBSC CEO Roy Choates hopes he will be able to repeat in other rural communities that lack high-speed broadband connectivity.

"We have a philosophy called 'shared infrastructure,'" said Choates in an interview. "In rural America you don't need two or three different companies building a fiber network." For example, he said he expects to supply connectivity to support utility company smart grid deployments, eliminating the need for the utility to deploy its own fiber.

Choates is a long-time telecom engineer and consultant who believed strongly enough in this idea to invest his own money to build a fiber network in Tahlequah, a town with a population of about 16,000. The company also is funded, in part, by an outside investor, but Choates is the majority owner.

He believes broadband will be key to important rural initiatives such as telemedicine, distance learning and the ConnectED program that aims to bring high-speed Internet to the nation's schools.

Rural Broadband Services Corporation Currently RBSC offers service at speeds as high as 10 Gbps to businesses and anchor institutions in the area and provides connectivity to an Internet POP in Tulsa. "The total network is about 40 miles," Choates said. After beginning construction earlier this year, he said, "We completed the north [part] and started putting services on." In addition, he said, "We have a contract with the Cherokee nation to install fiber, Internet and smart communications for 14 counties."

RBSC plans to make fiber available to other network operators who may want to offer residential service. In addition the company is looking at the possibility of using wireless to provide residential service.

Choates said he chose Tahlequah as his first community because the incumbent carrier had told community leaders that it had no plans to bring high-speed fiber connectivity to the area, yet the area is home to two hospitals and a major university, as well as being the capitol of the Cherokee nation.

FCC Rural Experiments
To date RBSC has not used any government funding, Choates said. But the company does hope to participate in the FCC's rural broadband experiments, which will cover some costs of deploying high-speed broadband in rural areas. Those experiments are aimed at helping to shape the Connect America Fund for rural areas of price cap territories where the incumbent declines to build out broadband at the level of support calculated through a cost model.

In a letter posted on the RBSC website, Choates likens the large national incumbent carriers to "giants" that, like Cyclops, have a single eye "that gives attention to large urban American cities."

The letter continues: "Like David of the Old Testament, I have no fear of the Giants for many reasons. First, I was raised by Giants, educated by Giants, trained by Giants and expected to end my business career working for the Giants. However, several years ago, I saw the light. Rural small town America was falling behind and there was a technology gap between rural and urban America. Over ten years ago, I decided to commit my talent to closing the technology gap."

Our thanks to Adva Optical Networking, whose recent press release about RBSC's plans to use Adva's Ethernet Services Suite brought our attention to RBSC.

Source: Joan Engerbretson. Online article titled: CEO: Startup Rural Broadband Services Corporation Has Big Plans: 7/24/2014. www.telecompetitor.com/ceo-startup-rural-broadband-services-corporation-big-plans/

Detailed Information at www.rbsc.us

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BUSINESS

*Rural Broadband Services Corporation Inc. (doing business in Oklahoma as RBSC Oklahoma LLC)

Rural Broadband Services Corporation Inc. (RBSC)
Delivering Broadband at Gigabit Speeds to the Cherokee Nation

Broadband Infrastructure Deployment in Tahlequah, Oklahoma

RBSC is providing fiber connectivity to the following complexes and individual buildings, a twenty-three building Cherokee Nation Headquarters complex, the Hastings Indian Hospital Complex and over 50 individual Health Care and other related Cherokee Nation businesses in Tahlequah. The Cherokee Nation is working with RBSC to expand Hastings Hospital and its facilities as the regional medical center for the Cherokee Nation. It will be linked with Gigabit fiber connections to several administration buildings in Tahlequah and statewide with Gigabit fiber connections incorporating OneNet[1] statewide transport to 10 remote medical centers in neighboring Oklahoma towns (See Attachment). Ultimately, the project will be expanded to connect 300 rural Cherokee clinics in Oklahoma with the hospital.

A Clear FCC Message to Indian Country – "We're Here to Help"

The FCC produced a National Broadband Plan and stated in Box 8-4, page 152 several key observations regarding the challenges of meeting the broadband communications needs of American Indians.

> *"Many tribal communities face significant obstacles to the deployment of broadband infrastructure, including high build-out costs, limited financial resources that deter investment by commercial providers and a shortage of technically trained members who can undertake deployment and adoption planning . . . Tribes need substantially greater financial support than is presently available to them, and accelerating Tribal broadband deployment will require increased funding." (emphasis added)*

RBSC is poised to deliver on the promises of 21st century communications for the largest Indian nation on U.S. soil. The FCC's "Broadband Experiment" can help the tribe and RBSC move forward with this project. Financial support provided by FCC funding will keep the tribe and RBSC on track to provide a robust broadband communications network that will support the Cherokee Nation in meeting its sovereign governmental responsibilities, including providing its people with access to state-of-the-art medical treatment and services for decades to come.

Please let it be so,

Roy Choates,[2] Founder – President and CEO

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1 State of Oklahoma ARRA award winner.

2 About Roy Choates . . . 47 years ago he began a life-long career in telecommunications with Bell South, advancing quickly in their minority "Fast Track" executive program. He moved on to MediaOne and completed a 13,000 sheath mile rebuild of Atlanta, GA for the 1996 Olympic Games. During his career Mr. Choates was also responsible for a large CLEC 36 cities network build out in just 36 months. He managed construction of terrestrial fiber networks in an extremely high-cost to serve insular area. In 2009/2010 he received 2 ARRA awards through the BIP process, including one project for the Lumbee Indian Tribe, headquartered in Red Springs, NC.