

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)
	)
Connect America Fund	) WC Docket No. 10-90
	)
High-Cost Universal Service Support	) WC Docket No. 05-337
	)
Petition for Waiver of South Central Telephone Association, Inc.	)

**COMMENTS OF  
THE WESTERN TELECOMMUNICATION ALLIANCE  
SUPPORTING PETITION FOR WAIVER OF  
SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.**

The Western Telecommunications Alliance (“WTA”) hereby submits comments in support of the December 6, 2012 petition of South Central Telephone Association, Inc. (“South Central”) for waiver of both: (a) the Section 54.302 monthly cap on total federal universal service support (other than Connect America Fund Inter-carrier Compensation Replacement Support); and (b) the Section 36.621(a)(5) annual study area unseparated loop cost limitations adopted in the form of quantile regression model benchmarks for High Cost Loop Support (“HCLS”) in the Wireline Competition Bureau’s (“WCB’s”) *Order*, DA 12-646, released April 25, 2012, and potential future WCB orders. Given the unique circumstances under which South Central operates, WTA believes that South Central’s rural Oklahoma customers face a significant risk of losing access to a broadband-capable network that provides both voice and broadband services, at reasonably comparable and affordable rates, in a sparsely-populated rural area that has no comparable service or coverage from alternative providers of voice or broadband.

WTA is a trade association that represents more than 250 small rural telecommunications companies that operate in 24 states west of the Mississippi River. South Central is a member of WTA.

South Central serves a sparsely populated agricultural area in northern Oklahoma that contains only three very small towns (ranging in population from 35 to 152). A significant portion of this population is elderly and/or reports income below the federal poverty line.

South Central has relied heavily upon federal universal service support to construct and operate the wireline facilities required by Oklahoma Corporation Commission (“OCC”) carrier of last resort and service quality rules, and by Rural Utilities Service (“RUS”) requirements. Whereas South Central’s financial information has been redacted, WTA is well aware of the reliance of small rural carriers in sparsely populated areas upon federal universal service support. If such a critical revenue stream is reduced significantly, such small carriers are simply unable to make up the difference by increasing the monthly service rates of their relatively few and frequently economically struggling rural customers. Therefore, it is wholly credible that the reductions of federal universal service support estimated by South Central will cause it to breach its RUS loan covenants and/or to fail to meet its current RUS loan repayment obligations. Such defaults will not only disrupt and threaten the continuity of South Central’s current operations, but also will render it extremely expensive or impossible for it to obtain the financing necessary for future network upgrades and extensions.

South Central is the only entity that has demonstrated a sustained interest and commitment to serve its rural northern Oklahoma customers. Wireless service is very limited in the area, and coverage becomes more and more intermittent as one moves farther from the towns

and main roads. Moreover, the minimal wireless service that exists depends substantially upon backhaul services provided by South Central.

WTA urges the Commission to grant the waiver requested by South Central. South Central has shown the requisite special circumstances that its sparsely populated service area is expensive to serve and that the projected reductions in its federal universal service support will cause it to default on its RUS loans. Given that South Central has been an efficient and effective steward of its high cost support to date and that its aggregated federal universal service support (as well as its capital expenditures and operating expenses) are reasonable and prudent in light of the geography and demographics of its service area, the requested targeted waiver will serve the public interest.

Respectfully submitted,  
**WESTERN TELECOMMUNICATIONS ALLIANCE**

By: \_\_\_\_\_  
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