

**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
	)
Application for Review of Silver Star Telephone Company	)

**COMMENTS IN SUPPORT OF  
APPLICATION FOR REVIEW OF SILVER STAR TELEPHONE COMPANY**

The Western Telecommunications Alliance (“WTA”) and the Idaho Telecom Alliance (“ITA”) submit their comments in support of the June 10, 2013, Application for Review of Silver Star Telephone Company (“Silver Star”).

Silver Star seeks Commission review and reversal of a Wireline Competition Bureau (“WCB”) *Order*<sup>1</sup> wherein the WCB corrected Silver Star’s Idaho and Wyoming study area boundaries, but refused to correct erroneous road mile and road crossing data for both study areas and disregarded entirely Silver Star’s submission of corrected population density data for both study areas. Hence, whereas the benchmarks calculated by the Quantile Regression Analysis (“QRA”) model for the Silver Star study areas were increased somewhat by the study area boundary corrections, they remained unreasonably and erroneously low due to the failure to employ accurate road mile, road crossing and population density data, and have consequently been reducing Silver Star’s High Cost Loop Support (“HCLS”) below the levels to which it would be entitled under the HCLS rules and accurate benchmarks. These supporting comments

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<sup>1</sup> *Connect America Fund: High Cost Universal Service Support*, Order, WC Docket Nos. 10-90 and 05-337, DA 13-1013 (May 9, 2013) (“Order”).

are filed in response to the Commission's *Public Notice* (Wireline Competition Bureau Reminds Parties of Deadlines for Filing Oppositions and Replies Regarding the Silver Star Telephone Company Application for Review), WC Docket Nos. 10-90 and 05-337, DA 13-1382, released June 14, 2013.

WTA is a trade association that represents more than 250 small rural telecommunications carriers ("RLECs"), including Silver Star, that operate in the 24 states west of the Mississippi River. The ITA is the leading advocacy group for independent telecommunications companies in Idaho, including Silver Star.

Sufficient and predictable high-cost support is an essential characteristic of the revenue streams required by Silver Star and other RLECs to repay their existing infrastructure construction loans, to operate and maintain quality networks and services, and to upgrade their facilities and services further in response to the evolving needs and future requests of their rural customers. In recognition of the critical importance of HCLS and other high-cost support mechanisms to its members and their customers, WTA (with the assistance and support of ITA and others) has participated – both before and after the October 2011 adoption of the *USF/ICC Order*<sup>2</sup> - in extensive industry negotiations, filings with the WCB and Commission and *ex parte* meetings with various members of the Commission's staff in an effort to improve these mechanisms. After the November 2011 release of the *USF/ICC Order* and even more so after the April 2012 release of the *HCLS Benchmarks Implementation Order*,<sup>3</sup> a substantial portion of these continuing WTA efforts have focused upon the achievement of greater accuracy and predictability of the QRA model and benchmarks.

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<sup>2</sup> *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17,663 (2011).

<sup>3</sup> *Connect America Fund; High Cost Universal Service Support*, WC Docket Nos. 10-90 and 05-337, Order, 27 FCC Rcd 4235 (WCB 2012).

The use of accurate data in the QRA model is fundamental to the success of these ongoing efforts. This is why the WCB's treatment of Silver Star's attempts to correct its road mile, road crossing and population density data is so perplexing and disturbing to WTA and ITA. Silver Star showed that the Tiger Line 2010 Census data depicted and counted the road miles and road crossings in both its Idaho study area and its Wyoming study area far more accurately than the ESRI Street Map data used by the WCB. Silver Star clearly demonstrated that a major portion of the discrepancy between the Tiger Line and ESRI data was the result of the fact that the local roads for all or significant parts of 79 Idaho subdivisions and 34 Wyoming subdivisions were properly included in the Tiger Line data but erroneously excluded from the ESRI data. It further showed that the ESRI data had not been updated to include 2010, a significant defect because many of the subdivisions served by Silver Star are of recent vintage, and were still growing and adding roads during late 2009 and 2010.

The WCB's *Order* did not discuss the quality or accuracy of Silver Star's proffered population density data. It simply overlooked or disregarded this data, and made no findings with respect to it.

Well-established principles of administrative law require the Commission and its bureaus to engage in reasoned decision-making. Specifically, their decisions must be based upon a consideration of the relevant factors, must not entail clear errors, and must include a reasoned explanation for the action. *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009); *Motor Vehicles Mfrs. Ass'n of the United States v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). In the present case of Silver Star (as well as in future efforts by other entities seeking correction of erroneous data used in the QRA model), it is extremely important for the Commission to exert every feasible effort to ensure that the data employed to calculate its QRA

benchmarks is the most accurate data available. Given the potential adverse impacts of erroneous and unreasonably low benchmarks upon the critical HCLS revenue streams relied upon by RLECs and their customers, it is wholly unreasonable for the WCB or the Commission to distribute HCLS on the basis of benchmarks that it knows or should know are based upon inaccurate data that is plainly inferior to other available data.

Hence, WTA and ITA urge the Commission to review and reverse the WCB's *Order*, and to recalculate Silver Star's benchmarks and HCLS for the relevant 2012 and 2013 periods on the basis on the more accurate Tiger Line data and the proffered population density data.

Respectfully submitted,

**WESTERN TELECOMMUNICATIONS  
ALLIANCE**

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Date: June 25, 2013