



May 9, 2019

Filed Via ECFS

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

RE: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

On Tuesday May 7, 2019, Deborah Rand and David Shipley of US Connect (Colorado, Texas, Kansas, Nebraska and Georgia); John Lundgren of Volcano Communications Group (California); Eric Votaw and Jennifer Vellucci of Varcomm Holdings (California); Kent Schimke of Dickey Rural Networks (North Dakota); Pat McElroy of Northeast Nebraska Telephone Company (Nebraska); and Derrick Owens, Bill Durdach and Gerry Duffy representing WTA – Advocates for Rural Broadband (“WTA”) met with Preston Wise, Special Counsel to Chairman Ajit Pai, to discuss various Universal Service matters, particularly performance testing requirements for Rate of Return local exchange carrier (“RoR LEC”) recipients of high-cost support.

WTA and its members expressed their appreciation for the recently issued Alternative Connect America Cost Model II (“*ACAM II*”) offers. With one possible exception, the participating WTA members indicated their intentions to accept their *ACAM II* offers, and stated that the certainty and stability of their future *ACAM II* support would allow them to finance and deploy substantial additional broadband facilities and services.

WTA and its members reiterated that they support the testing of their networks and other networks receiving high-cost support to ensure that such support is being used for the intended purposes. WTA noted that the initial performance testing rules appear to have been designed predominately with the large price cap carriers in mind, and that its efforts have been directed primarily toward obtaining modifications or alternatives that better address the resources and circumstances of RoR LECs and other smaller high-cost support recipients.

WTA reported that it has had several recent lengthy discussions with the Commission’s staff regarding the details of performance testing. In the present meeting, it focused upon two broader issues: (a) the appropriate broadband facilities and route to be tested; and (b) the availability, cost and practicability of the performance testing equipment and software that is being developed.

WTA noted that there is some incoherence between the two primary goals of performance testing: (1) to determine whether customers are getting the broadband speeds and latency that they have been promised (“the customer satisfaction goal”); and (2) to determine whether high-cost support recipients

have complied with their broadband build-out obligations (“the high-cost compliance goal”). WTA members have been constructing their networks to meet the applicable broadband build-out obligation speeds or better, and WTA is confident that virtually all network-only testing by its members can pass the high-cost compliance goal and show that received support was used for the intended purposes. However, WTA members worry that testing beyond the boundaries of their broadband networks – both inside customer premises where a variety of equipment has been selected and deployed by customers and between their networks and Internet exchange points (“IXPs”) over middle mile transport facilities and routes operated by one or more unrelated entities – can result in test “failures” that they have no ability to control or repair but which can result in the loss or withholding of critically needed high-cost support.

Few RoR LECs control the middle mile carriers and facilities that connect their networks to an IXP. Some have a choice among middle mile carriers at their initial hand-off point, but have no further control over how their initial middle mile carrier routes and handles their traffic, including handing it off to one or more additional carriers before it reaches an IXP. Others have no choice even regarding their initial middle mile carrier, much less how it routes and transfers their traffic. Mr. Votaw, for example, described how the broadband traffic of one of his company’s exchanges must traverse four microwave hops down a mountain, and then travel over 100 miles of fiber operated by unrelated companies to the nearest IXP. Mr. McElroy showed how his company has to route its broadband traffic through three separate and unrelated middle mile carriers before it reaches the Internet. WTA members have reasonable concerns that a host of potential middle mile problems and disruptions – including, but not limited to, increased congestion, unanticipated routing changes, line breaks, and scheduled and unscheduled maintenance – over which they have no notice or control can adversely impact their performance test results.

RoR LECs also have virtually no control over customer Internet gateways, routers, modems and other inside wiring facilities beyond the network interface devices (“NIDs”) and optical network terminals (“ONTs”) that constitute the ends of their regulated and controlled networks. The WTA members reported that many of their rural customers have purchased their own customer premises equipment (“CPE”) which may be of poor or deteriorated quality and which may be incompatible with performance testing equipment. They also predicted, from experience, that a significant number of rural customers are likely to refuse to buy or accept upgraded equipment or to allow RoR LEC personnel into their homes to install it. Ms. Rand noted that about 80 percent of her company’s service complaints are determined after investigation to be caused by customer equipment problems.

WTA has proposed a couple of alternatives to avoid the imposition of inequitable penalties upon RoR LECs for performance testing failures due to middle mile and/or CPE problems over which they have no control, and to which their high-cost support bears little or no relation. These alternatives included separate customer satisfaction and high-cost compliance tests, or dividing the four weeks of required seasonal testing into two weeks of customer satisfaction testing and two weeks of high-cost compliance testing. Whatever the solution, critically needed high-cost support should not be withheld or taken away due to test “failures” caused by middle mile and/or CPE problems which RoR LECs have no ability to control or repair.

The WTA members have heard vendor presentations that new testing equipment is ready or almost ready, but have not seen much available and affordable equipment yet. One WTA member reported that his company had participated in substantial negotiations with a vendor, but had found that its equipment prices and monthly license fees were far too high to be recovered in affordable broadband service rates, and that the company was now talking with a second vendor but was unsure when its

testing equipment would ultimately be available. The WTA members noted that some testing equipment vendors appear to be working on software solutions that would be incorporated into Internet gateways. However, as noted above, they have concerns that their rural customers will refuse to purchase such new equipment, or even accept it if offered to them as a free upgrade.

WTA notes that that the CPE problem could be reduced, in significant part, by providing or requiring the customer to purchase an Internet gateway with appropriate incorporated testing software at the time of each new broadband service initiation or upgrade. This would allow performance testing of new and upgraded customers after they were added, but it would likely take several years before testing issues with respect to uncooperative existing customers could be resolved or minimized. Automated testing through Internet gateway software would also need Commission determinations whether such performance testing required express customer consent and whether it implicated Customer Proprietary Network Information (“CPNI”) or other privacy concerns.

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 proceeding.

Respectfully submitted,
/s/ Gerard J. Duffy
WTA Regulatory Counsel
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP
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Washington, DC 20037
Telephone: (202) 659-0830
Email: gjd@bloostonlaw.com

cc: Preston Wise
Attachments

USConnect Brochure

The USConnect Advantage

USConnect's investor companies include some of the most recognized and respected names in the rural and independent communications providers industry. The USConnect advantage is bringing together shared histories and backgrounds of several rural communications providers to promote strategic and sustainable growth.

USCONNECT

A Platform to Promote Strategic and Sustainable Growth for Our Providers.

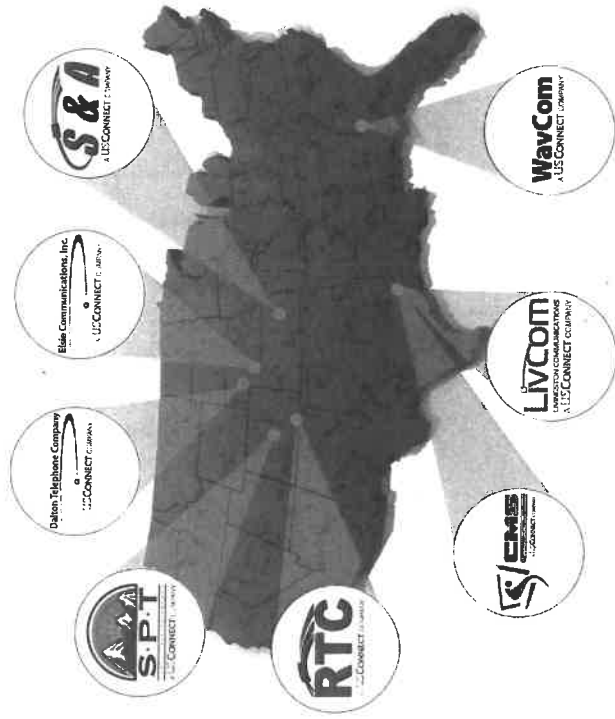
Solution Focused Community Thinking

There is a strong emphasis within the company to facilitate collaborative and cooperative efforts by and between its operating properties, investors, and partners. Our employees have a large commitment to the communities and customers being served. We understand these traits are extremely important for rural communications providers and we look forward to continuing to strengthen our efforts and communications networks.

USCONNECT

Combining Expertise for Community Based Providers

USConnect Properties

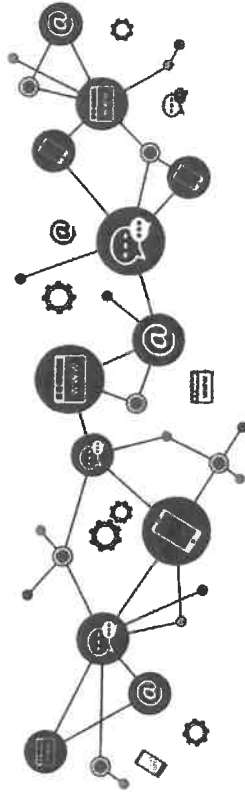


Who We Are

USConnect was formed in 2013 as a platform to promote and facilitate collective efforts to realize growth and efficiencies through acquisitions. We also develop collaborative initiatives to leverage the collective size and industry expertise of USConnect and its owners. Finally, we advocate for the future success and viability of rural and community-based communications providers.

What We Do

USConnect owns and operates seven RLEC properties and their affiliated operations as well as an IT managed services provider. Collectively, we serve over 19,000 voice, data and video connections over a combined service area spanning 4,400 square miles. In 2018, the corporation acquired a managed service provider, CMS IP Technologies. Combined, USConnect and its owners employ 1,500 employees, generate revenue of \$470 million, and serve 445,000 voice, video and data connections over a collective service area spanning 45,000 square miles.



Strategic. Successful. Sustainable.

USConnect is an industry focused platform established to facilitate and advocate for the long-term growth and sustainability of independent communications providers. We will pursue our goal through disciplined pursuit of consolidation and acquisition opportunities.

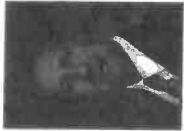
Key Employees



Deborah Rand
USConnect CEO

Deborah Rand is the Chief Executive Office of USConnect. Deborah oversees USConnect's broadband, video, and telephone operations and directs the USConnect management team. In addition, she oversees the integration of acquired properties and operations. With more than 25 years of experience, Deb brings a deep knowledge and understanding of the issues facing rural telecommunications providers. Prior to joining USConnect, Deb was an analyst with JSI Capital Advisors, LLC for over 15 years where she focused her efforts on merger and acquisition activity and operational, financial and valuation trends within the rural and community-based communications provider industries. Prior to working with JSI Capital Advisors, Deborah was a Senior Controller and Internal Auditor for Waste Management. Deborah serves on the Innovation and Business Opportunity Committee of the National Telecommunications Cooperative Association and is also on the board of Codero. Deborah received a BS in Accounting from Marquette University.

Key Employees



David Shipley
USConnect COO

David oversees the operations at each USConnect property. David has over 30 years of experience in telecommunications and participates in various local, state, and national committees that are associated with the industry. With his extensive knowledge, David is able to guide local managers in ensuring business is running efficiently. David serves as Vice President of WTA and on the Colorado Broadband Deployment Board.



Jeremy Larson
MS, P.E., CISSP
Network Manager

Jeremy promotes the network strength and performance activities and aids in IT service for all of the USConnect properties. Jeremy has a Bachelor's of Science in Electrical Engineering and Master's in Cyber Security. Prior to USConnect, he was the Senior Network Engineer with Silver Star Communications. Jeremy was part of the CSRIC IV working group 4 and is currently part of CSRIC VI Working Group 3.



Derek Bell
CMS IP Technologies
President

3-time nominee and winner of the Dr. Robert A. Swerdlow Small Business of the Year Award, is the founder of CMS IP Technologies. Under Derek's leadership CMS has become one of the leading technology companies in Texas providing managed technology solutions and cloud services on data networks and infrastructure, cyber-security, telecommunications, and video surveillance.



Mubera Durakovic
Director, Human Resources
& Administration

Mubera oversees all of USConnect's Marketing, Sales and Customer Solutions, Sales and Human Resources policies, programs and practices. She evaluates and administers the Company's benefits, works closely with the executive team to develop employee programs, and assists on the integration of acquisitions. Mubera has a Bachelor's in Human Resources and a Master's in Finance.



Ryan DeCinto
CPA, Corporate Accountant

Ryan oversees all of USConnect's corporate accounting. Ryan works both with site management and the executive team to help facilitate financial information from the accountants to the properties. He acts as a liaison with the company's banking and audit partners. He also provides assistance to the USConnect executive team on various projects. Ryan has a Bachelor's degree and a Master of Science in Accounting.

Investors

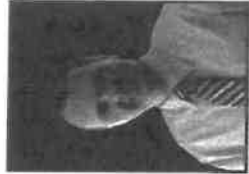
Denny Law
Golden West



Charlie Greenberg
BTCL Communication



Mike Hagg
Horry Telephone
Cooperative



Manny Staurulakis
John Staurulakis, Inc



Your business
is our business.

Brad Erwin
Farmers Telephone
Cooperative



Bill King
JSI Capital Advisor



Kent Schimke
Dickey Rural Networks



Leo Staurulakis
John Staurulakis, Inc



Your business
is our business.

USConnect Properties



Kansas



S & A Telephone



Allen-based S&A Telephone Company (S&A) serves a number of small exchanges in Eastern Kansas. The Company provides voice and high speed internet services to its rural subscribers and offers broadband speeds up to 200 Mbps over a state-of-the-art fiber network.

Georgia



Waverly Hall Telephone



Waverly Hall Communications (WavCom) has been providing communication services to central Georgia since 1944. The Company now offers internet speeds up to 200 Mbps over its fiber network along with providing voice products and services.

USConnect Properties

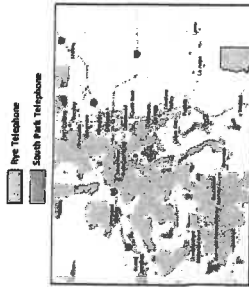
Colorado



Rye Telephone Company (RTC) serves an area of approximately 1,800 square miles in Southern Colorado. RTC utilizes a state-of-the-art fiber optic network and offers cutting-edge data, voice and video services. RTC was recognized by NTCA as a Certified Gig-Capable Service Provider in 2016, and designated a Smart Rural Community provider in 2018.



South Park Telephone Company (SPT) serves central Colorado's South Park area. SPT uses a unique wireless technology paired with a solar powered platform that enables the Company to deliver high-speed data and telecommunication services to customers spread across 600 miles of diverse terrain and no access to commercial power. SPT was recognized by NTCA as a Smart Rural Community provider in 2018.



Nebraska



Dalton Telephone Company (DTC) provides advanced communications services throughout five exchanges in Southwestern Nebraska, covering 1,406 square miles, across six counties. DTC offers a suite of quality voice, video and data products and services.



Elsie Communications provides communication services to subscribers in Elsie, Nebraska. Elsie Communications serves residents in Perkins County utilizing a digital switching platform to offer a suite of quality voice and data products and services.

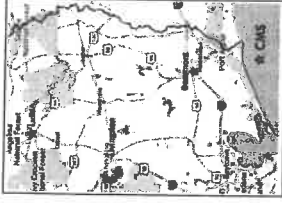


USConnect Properties

Texas



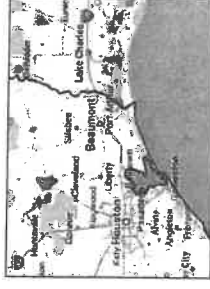
Located in Texas, CMS IP Technologies has been providing IT support and managed services from East & Southeast Texas to Southwest Louisiana for over 30 years. CMS offers a wide range of business services, including network security, managed services, HIPAA compliance, disaster recovery, cloud services, anti-virus protection and website hosting.



Texas



Formed in 1903, Livingston Company (LivCom) was the first public utility in Polk County, Texas. Over the years, the company has brought the latest communications services to its customers. Today, LivCom offers high speed broadband, video and voice services with internet speeds up to 200 Mbps. Since acquisition by USConnect, LivCom has invested over \$7m in network improvements and was recognized by NTCA as a Smart Rural Community provider in 2018.



USConnect and LivCom operate two radio stations from Livingston, Texas. Classic Hits station, the Eagle on FM 92.3 and The Score, an all sports talk station on AM 1440.



Rural Initiatives



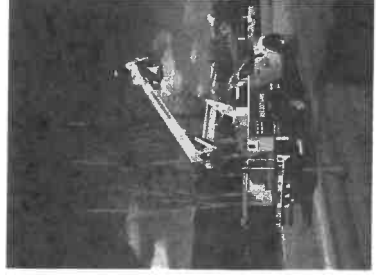
South Park Telephone, Gurley school collaborate to bring high-speed Internet access to students

South Park Telephone, Gurley school collaborate to bring high-speed Internet access to students. The partnership aims to provide students with access to high-speed Internet, which is essential for many educational activities. The school and telephone company have worked together to install high-speed Internet service in the school building. This will allow students to use the Internet for research, learning, and communication. The partnership is a great example of how community organizations can work together to improve the lives of students in rural areas.

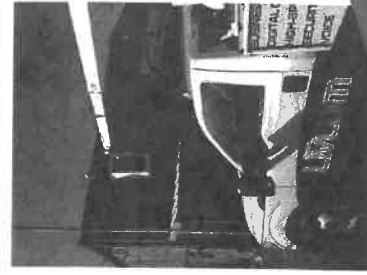
South Park Telephone partnered with the school to bring broadband to students.



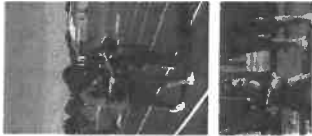
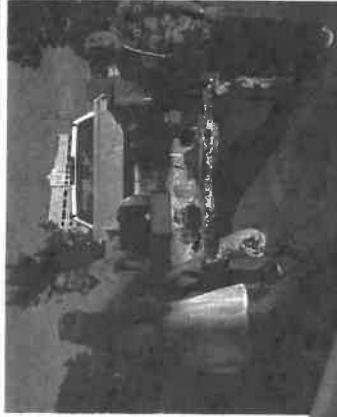
Rural Initiatives



Discounted Internet for Qualifying Students!
Student Connect from iXComm to bring High-Speed Internet + Phone



Community Involvement



Community Involvement



Company Culture



LOCAL BEAT

Donation to Timber Creek Elementary



USConnect partnered with CoBank to donate money to Timber Creek Elementary in Livingston, Texas, for a new playground and recreational equipment. LivCom's Customer Solutions Supervisor, Stephanie Miller, presented TCE's PTO President, Shelby Deal, with the donation and many happy tears were shed. This was definitely a "feel good" moment.

USCONNECT Wellness Bingo Challenge

Want to play?

- Here's how:
1. Make your own Wellness Bingo card.
 2. Complete during the WELLNESS BINGO CHALLENGE.
 3. Mark off on your BINGO card.
 4. Only appear once per BINGO card.

Play your Wellness BINGO card!

After you finish, you can check off to complete your card.

Step 2:

After you finish, you can check off to complete your card.

Step 3:

After you finish, you can check off to complete your card.

Step 4:

After you finish, you can check off to complete your card.

Company Culture



Volcano Communications Group Description and Maps



Volcano Communications Group

was established in 1903 as Volcano Telephone Company in a small brick building in the town of Volcano, California nestled in the Sierra Nevada Foothills. Having grown to 12 employees, the company moved to their current office in Pine Grove, California in 1968. Since that time, the company has continued to maintain their dedication to providing its rural service area with telephone, internet, and television services that rival those of metropolitan areas. Volcano is a family oriented company with three generations currently involved in the operations of the company and is dedicated to both its employees and the community at large.

Connectivity for Community Growth

Volcano Communications has implemented a robust, resilient voice and data network with multiple backbone connections to various tier 1 and tier 2 providers. Part of what has made this possible is a partnership with other California companies and BTOP grant funds to implement a major fiber backbone infrastructure throughout many rural areas of California. This gives our customers access to urban type services. Volcano residents currently pay \$24.00/month and business customers pay \$34.00/month for voice service.

Employment Opportunities

Volcano employs over 80 local residents providing competitive pay and comprehensive benefit packages which helps the local tax base and economy.

Community Involvement & Education

Volcano Communications is very active in local community organizations and activities. We facilitate and participate in many local fund raising efforts and help fund organizations critical to the surrounding communities, including Amador and Calaveras county food banks. Volcano also maintains an active scholarship program for local high school graduates which helps develop our youth, further enriching our community.

Points of Interest

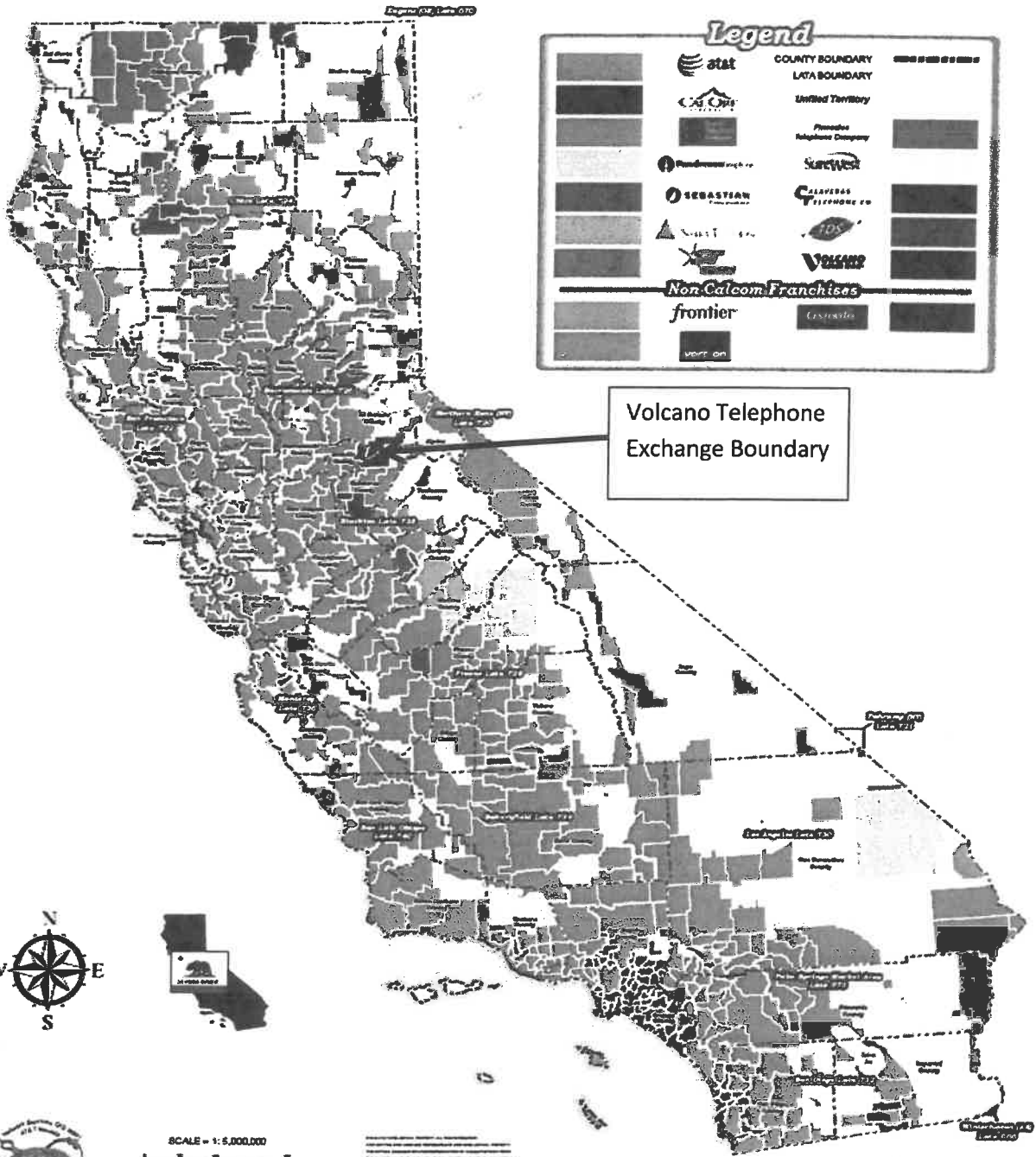
- Promote common sense rules and criteria for small RLECS for broadband testing. The technology needs to be in place before the rules. The test sampling for a small carrier should not be greater than the large companies.
- Ensure continued full funding for ACAM and Rate of Return (RoR) high-cost mechanisms at adequate levels. As a ROR company, Volcano greatly appreciates the catch up of the fund but "haircuts" may return depending on future pressures on the fund.
- Improve mapping criteria to better reflect areas that currently don't have access to broadband. Census blocks are not granular enough for accurate representation.
- Expedite permitting process on Federal lands to reduce costs and delays of building out broadband projects.
- Providing video has become more costly due to increasing content costs and retransmission costs Broadcasters are also moving to the Next Generation ATSC 3.0 standard, which will increase costs for small providers.
- Avoid using government funds to deploy duplicative networks in rural areas. Healthcare institutions, schools, libraries, FirstNet, and municipalities should work with local incumbent telcos prior to pursuing other options.

**Sharon Lundgren, General Manger at
(209) 296-7502 or visit
www.volcanocommunications.com**





California Communications Association Telephone Exchange Areas

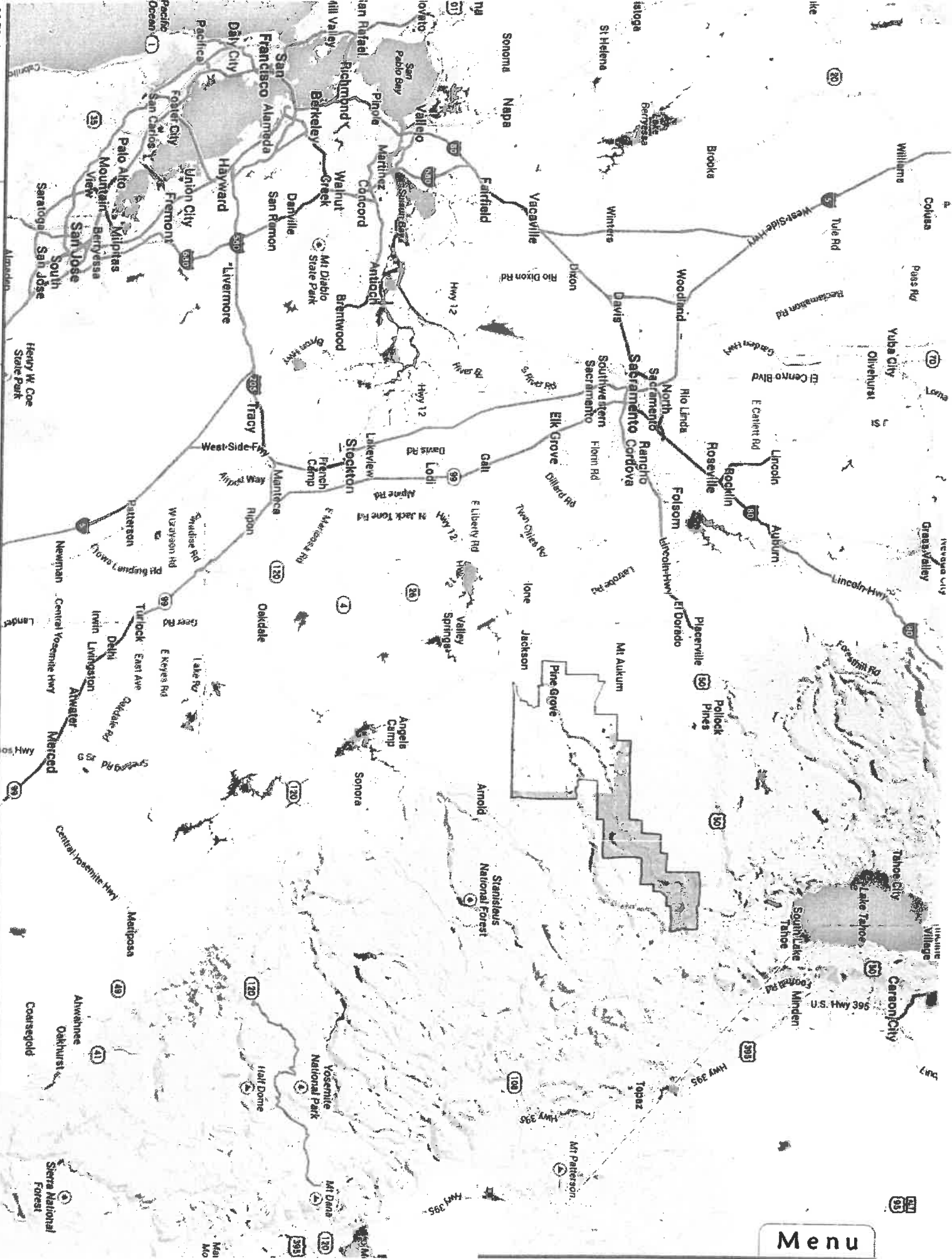


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Map Prepared:
APRIL 1992
Copyright 1992



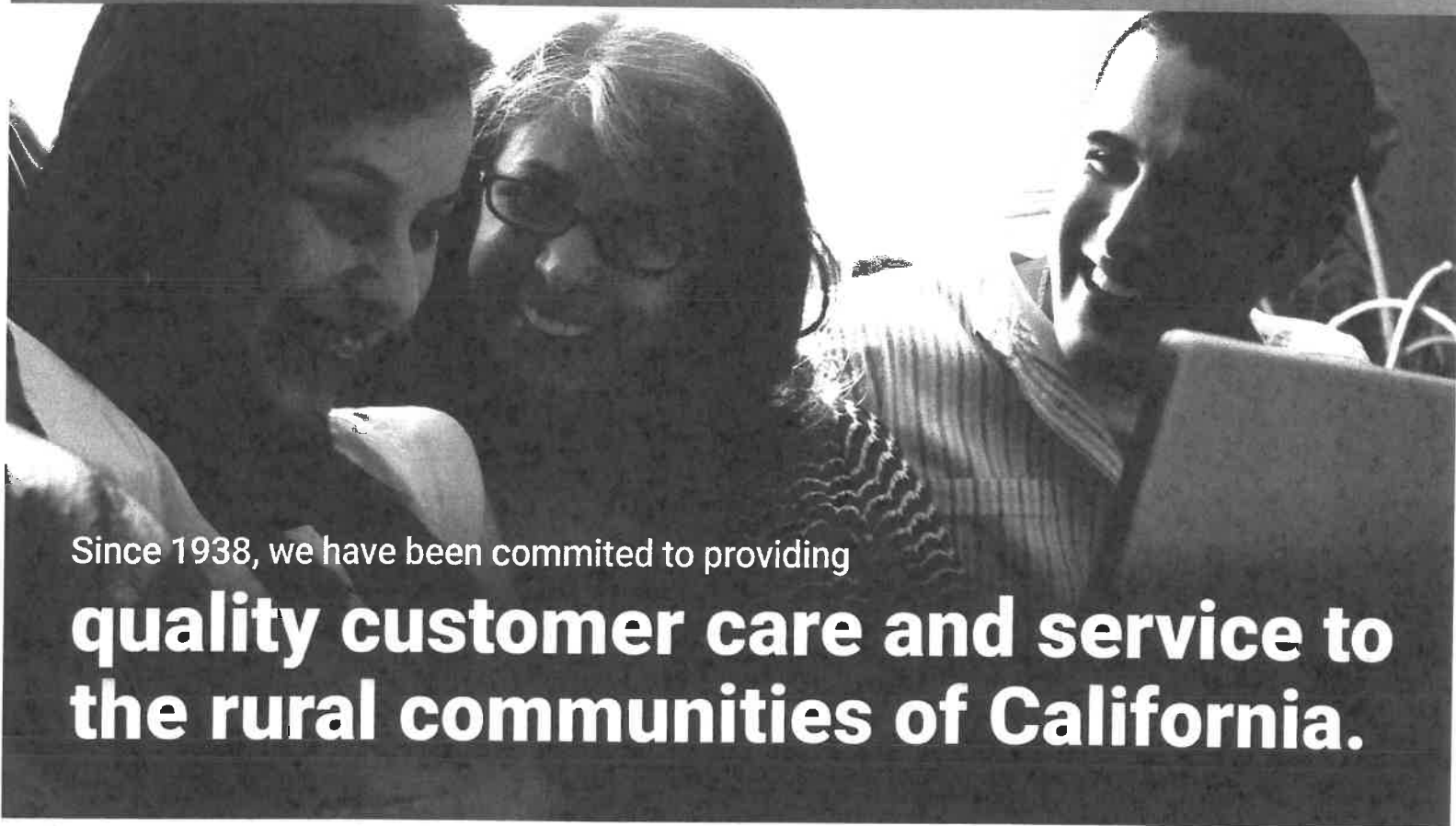


Menu

Varcomm Description and Map

VARCOMM[®]

Your hometown network



Since 1938, we have been committed to providing

**quality customer care and service to
the rural communities of California.**

Our Story

Varcomm (Ducor Telephone Company) can trace its history to 1910 when farmers in southern Tulare County California, banded together to create a small telephone network with a single telephone line. In 1938 the Roome family purchased the facilities in Ducor, California.

In 1954, Virgil A. Roome incorporated the company and served the community of Ducor for the following 59 years until his death in 2013. In 1977, Ducor began service to the community of Rancho Tehama Reserve in Northern

California. Around 1993 began Varnet, Inc. to provide internet service to the communities that Ducor Telephone Company services. In 1995 Ducor began service to the community of Kennedy Meadows, high in the Sierra Nevada Mountains along that Pacific Crest Trail.

2018 saw the transformation of the company to the new name of Varcomm (Virgil A. Roome) and the introduction of broadband products and enhanced services and is part of Varcomm Holdings, Inc. family of companies.

Our Mission—

Committed to our community, committed to quality, committed to service, and committed to your hometown network. Our mission is you!



Since 1938

VARCOMM.
Your hometown network

VARCOMM[®]

Your hometown network

About Varcomm

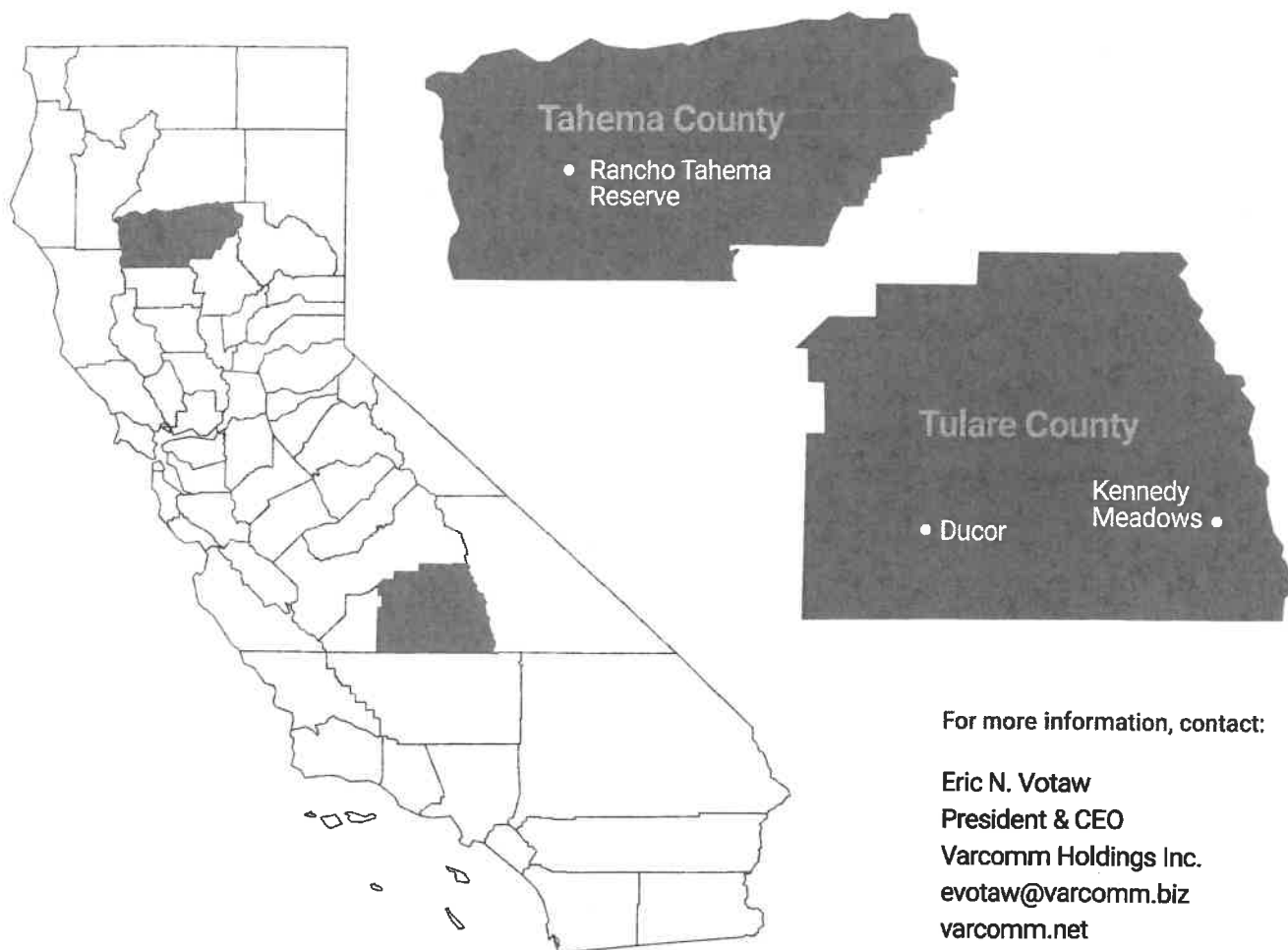
- 925 access lines
- 330 square miles of service territory
- 1,600 broadband-capable locations meeting current FCC speeds
- 74 miles of fiber built to provide 911 capable service and 50% residential subscribers on ULTS/Lifeline
- 5 microwave towers in California
- 2nd smallest telephone company in California but most geographically diverse
- 9 employees serving the community
- Deploying Fiber-To-The-Home in 2019

3 Noncontiguous Exchanges:

- Ducor – Central Valley between Porterville and Bakersfield
- Rancho Tehama Reserve – Northern California foothills of Mendocino National Forest
- Kennedy Meadows – Southern Sierra Nevada Mountains on the Pacific Crest Trail and not on commercial power (100% solar/wind powered office)

Getting Around Ducor:

- Ducor to Rancho Tehama is 383 Miles
- Ducor to Kenney Meadows is 177 Miles
- Kennedy Meadows to Rancho Tehama is 506 Miles



For more information, contact:

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varcomm.net



Since 1938

VARCOMM.
Your hometown network