

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Mutual Telephone Company)	
of Sioux Center d/b/a)	
Premier Communications)	
)	CC Docket No. 96-45
Winnebago Cooperative Telecom)	
Association)	
)	
Joint Petition for Waiver of the)	
Definition of “Study Area” of the)	
Appendix-Glossary of Part 36 of the)	
Commission’s Rules)	

**COMMENTS
OF NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–The Rural Broadband Association (“NTCA”)¹ hereby submits these Comments in response to the Public Notice released by the Wireline Competition Bureau (the “Bureau”)² seeking comment on the above-referenced Joint Petition.³

¹ NTCA is an industry association composed of nearly 900 rural local exchange carriers (“RLECs”). While these entities were traditional rate-of-return-regulated telecommunications companies and “rural telephone companies” as defined in the Communications Act of 1934, as amended (the “Act”), all of NTCA’s members today provide a mix of advanced telecommunications and broadband services, and many also provide video or wireless services to the rural communities they serve.

² *Wireline Competition Bureau Seeks Comment on Joint Petition of Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications And Winnebago Cooperative Telecom Association to Waive the Definition of “Study Area” as Codified in Part 36 of the Commission’s Rules*, CC Docket No. 96-45, DA 16-564, Public Notice (rel. May 23, 2016) (“Public Notice”).

³ Joint Petition for Waiver of Mutual Telephone Company of Sioux Center d/b/a Premier Communications (“Premier”) and Winnebago Cooperative Telecom Association (“Winnebago”) (collectively, the “Petitioners”), CC Docket No. 96-45 (filed May 3, 2016) (“Joint Petition”).

The Joint Petition requests a waiver that would allow Premier to acquire all exchanges in the Consolidated Communications of Iowa f/k/a Heartland Telecommunications of Iowa (“Heartland”) study area, and to then transfer two of those exchanges (Bancroft and Lakota) as part of a new study area to be served by Winnebago. As a result of the transaction, Premier would serve a modified version of the Heartland study area – less the Bancroft and Lakota exchanges, which would themselves form a separate new study area served by Winnebago. A “study area waiver” is required in connection with this transaction because the Federal Communications Commission (the “Commission”) has recognized for more than thirty years that the deaveraging of costs that could occur via study area redefinition and disaggregation may result in the need for increased universal service fund (“USF”) support.⁴ In practice, this rule means that, while Premier could acquire the Heartland study area as a whole, the follow-on step of “spinning out” two exchanges in that study area to Winnebago requires grant of a waiver.

Any USF-related concerns that gave rise to the original “study area freeze” are not present here, however, given the structure of the transaction and the specific nature of the study area boundary waiver sought. To the contrary, the instant transaction constitutes an effective plan for use of USF resources and represents precisely the kind of efficiencies and entrepreneurial spirit that mark RLEC operations in rural areas. As the Joint Petition makes clear,⁵ the proposed transaction is structured consistent with – and, indeed, is necessary to carry out the purpose of – Section 54.902 of the Commission’s rules as recently revised, which states that any RLEC’s acquisition of exchanges from a price-cap carrier will, in the absence of further action by the

⁴ See *MTS and WATS Market Structure, Amendment of Part 67 of the Commission’s Rules and Establishment of a Joint Board*, CC Docket Nos. 78-72, 80-286, Decision and Order, 50 Fed. Reg. 939 (1985).

⁵ Joint Petition at 4-5.

Commission, result in the exchanges receiving the same amount of support and remaining subject to the same public interest obligations that applied prior to the transaction.⁶

Although the instant transaction will result in a modification of the former Heartland study area to create separate study areas for the exchanges that will be held respectively by Premier and Winnebago, the Joint Petition makes clear that this structure is proposed precisely because it would allow the Petitioners to keep separate books of accounts, receive Connect America Fund (“CAF”) Phase II model-based support already earmarked for funded locations associated with their respective acquired exchanges (distinct from any USF support for their respective operations in their existing study areas), and comply with the model-based public interest buildout obligations applicable to their respective locations in the new/modified study areas.⁷ In other words, modification of the study area as contemplated would not frustrate the Commission’s universal service objectives, but is instead essential to carry those objectives out faithfully and in a manner that promotes accountability and better enables tracking of progress toward CAF Phase II and other USF-related goals.

The Petitioners further demonstrate that their request is in the public interest and otherwise satisfies all standards for the grant of a waiver. In particular, the Petitioners: (1) commit to providing updates regarding the Iowa Utilities Board’s ongoing consideration of the proposed transaction; (2) show that the respective proximity of Premier’s and Winnebago’s existing operations to the consumers served will facilitate improved service for those consumers; (3) confirm the waiver itself would not burden or shift USF resources, including but not limited to

⁶ 47 C.F.R. § 54.902(b); *see also Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking (rel. March 30, 2016), at Appendix B.

⁷ Joint Petition at 5-6.

CAF-ICC support which would be based upon a straightforward allocation of access lines; and (4) clearly specify how access tariffs would be managed and maintained following the transaction.⁸

For the foregoing reasons, NTCA respectfully requests that the Commission and the Bureau find “good cause” exists for grant of the waiver sought by the Joint Petition.

Respectfully submitted,



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⁸ *Id.* at 7-8.