

Before the
FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92

**PETITION FOR RECONSIDERATION
PINELAND TELEPHONE COOPERATIVE, INC.**

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EXECUTIVE SUMMARY

In this Petition for Reconsideration, Pineland seeks to ensure that all rural Americans can benefit from the 25/3 Mbps broadband service that the Commission now views as the minimum acceptable level. The A-CAM II offer as presently structured creates a serious, arbitrary, and irrational distinction among rural locations, due to the Commission's decision (correct as far as it goes) to permit funding for census blocks that already include some fiber to the premises ("FTTP") or cable to some locations. The A-CAM I second revised offer does not adequately address this inequity because a sizeable number of locations under that offer will remain without support for 25/3 Mbps broadband service.

To address this problem, Pineland petitions the Commission to harmonize its policy regarding funding census blocks with FTTP or cable. Pineland thus requests that the Commission reconsider its decision to preclude A-CAM I carriers from electing A-CAM II support and obligations. Importantly, however, as explained in more detail herein, the approach recommended by Pineland would allow a portion of A-CAM I support (the amount received under A-CAM I prior to the A-CAM II election in excess of 2015 Legacy Support) to be netted against A-CAM II support. This adjustment would allow the Commission to grant the Petition without giving A-CAM I-electing-carriers the opportunity to over-recover.

The public interest will be served by granting the Petition, because more rural Americans (potentially over 230,000 locations), in more areas of the nation, will benefit from federal support and, therefore, improved broadband service.

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**PETITION FOR RECONSIDERATION
PINELAND TELEPHONE COOPERATIVE, INC.**

Pineland Telephone Cooperative, Inc. (“Pineland”), pursuant to Section 1.429 of the rules and regulations of the Federal Communications Commission (“FCC” or “Commission”) hereby seeks reconsideration of the Commission’s December 13, 2018, Report and Order, in which the Commission revised, for a second time, the level of model-based support to carriers electing the Alternative Connect America Model first offer (“A-CAM I”) and the corresponding broadband service obligations those carriers take on.¹

Pineland accepted the initial A-CAM I offer, along with its obligations to provide 10/1 Mbps, and, in some cases, 25/3 Mbps broadband service. Certain carriers selecting the A-CAM-

¹ See *In the Matter of Connect America Fund, ETC Annual Report and Certifications, Establishing Just and Reasonable Rate for Local Exchange Carriers, and Developing a Unified Intercarrier Compensation Regime*, Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, WC Dockets No. 10-90, 14-58, 07-135, and CC Docket No. 01-92, FCC 18-176, released December 13, 2018 (“A-CAM II Order”); *In the Matter of Connect America Fund, ETC Annual Report and Certifications, and Developing a Unified Intercarrier Compensation Regime*, Report and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Dockets No. 10-90, 14-58, and CC Docket No. 01-92, FCC 16-33, released March 30, 2016 (“A-CAM I Order”).

I offer, identified as glide path carriers, were not offered the A-CAM I first revised offer with its reduced support and lower obligations. In the most recent Commission ruling, no A-CAM I electing carriers are permitted to elect to accept the new A-CAM II offer. Instead, Pineland's choices are to stick with the original A-CAM I offer, or to accept the A-CAM I second revised offer. As described below, prohibiting Pineland and similarly situated carriers from accepting the A-CAM II offer creates a peculiar and unreasonable disparity among rural areas, rural carriers, and the rural Americans they serve. This disparity is particularly evident when viewed from the perspective of the Commission's goal of efficiently using high-cost funds to maximize the deployment of 25/3 Mbps broadband service in rural areas that would not otherwise have it.

The best and most efficient way to address this disparity is to permit Pineland and other A-CAM I carriers to accept the A-CAM II offer or (at the carrier's option) the second revised A-CAM I offer. This would both correct the pointless and unfair disparity among different rural carriers and their customers that the *A-CAM II Order* has created and increase the number of fully-funded locations eligible to receive 25/3 Mbps service nationwide by over 230,000 locations.² Reconsideration of the *A-CAM II Order* as requested in this Petition, therefore, would better advance the Commission's goals for rural broadband deployment as articulated in that order than would the regime that order itself establishes. Pineland, therefore, requests that the Commission reconsider the *A-CAM II Order* as described herein.³

² *Report 14.2*, column X, Federal Communications Commission, February 25, 2019. Over 169,000 of these locations are subject to the obligation to provide 10/1 Mbps service under the A-CAM I revised offer, which has a sliding scale for the 25/3 Mbps obligation. Under the A-CAM II offer, the 25/3 Mbps obligation applies to all fully funded locations.

³ As discussed below, as part of the reconsideration that Pineland is requesting, the Commission should take into account annualized A-CAM I disbursements a carrier has already received in excess of 2015 Legacy Support levels (that is, the support a carrier would have received had it not accepted any of the A-CAM offers), and net those amounts against future A-CAM II support.

I. Introduction

Pineland serves nine rural Georgia counties, covering over 1,200 square miles of territory, from its headquarters in Metter, Georgia. Using the Commission’s methodology from the *A-CAM I Order*, Pineland has a calculated density of 11.05 locations per square mile. At the time Pineland accepted the A-CAM I offer, the Commission – in an attempt to maximize the number of locations to be upgraded to at least 10/1 Mbps service – chose to “*exclude from support calculations* those census blocks that are served with either fiber to the premises (“FTTP”) or cable delivering service that meets the Commission’s minimum standards [10/1 Mbps].”⁴ As Pineland understood it at the time, the point of excluding those census blocks was to try to maximize the number of rural customers who would receive some kind of “broadband” – even if at a minimal level of 10/1 Mbps – as a result of the Commission’s support plan. The thought, apparently, was that those FTTP/cable census blocks would likely be served within a reasonable time frame without any support.⁵

The *A-CAM II Order* takes a quite different approach. In that order, the Commission offers legacy carriers (that is, carriers who have not accepted any prior A-CAM offers) support even for “census blocks where the carrier or its affiliates *have deployed* fiber-to-the-premises or cable.”⁶ This change in the Commission’s policy – including support for census blocks where fiber or cable already exists – makes sense when viewed in light of the Commission’s decision to set the minimum acceptable level of broadband at 25/3 Mbps. Just having cable or fiber in a census block is no guarantee that market demand alone will generate sufficient revenues to meet

⁴ *A-CAM I Order* at ¶¶18, 37 (emphasis added).

⁵ This FTTP policy had the effect of removing 65,000 locations from the FCC’s Reporting version 4.2 of the A-CAM I offer for A-CAM I electing-carriers. (Comparing reporting version 4.1 and 4.2 for removed locations for A-CAM I electing-carriers yields over 65,000 locations that would be included as 25/3 Mbps locations in an A-CAM II offer for A-CAM I electing-carriers.)

⁶ *A-CAM II Order* at ¶ 34 (emphasis added).

that standard. But what doesn't make sense is limiting the A-CAM II offer to legacy carriers. If 25/3 Mbps is the minimum acceptable level of broadband – which it is – and if it makes sense to provide support to meet that level of service even in census blocks where fiber or cable already exists – which it does – then there is no good reason to deny the residents of rural areas whose carriers accepted a previous A-CAM offer the prospect of bringing their broadband service up to the minimum acceptable 25/3 Mbps level.

It does not appear that the Commission gave any consideration to the random inequities it was creating by limiting the A-CAM-II offer in this way. But whether the Commission in some way considered this issue or not, it remains clear that barring carriers who previously accepted an A-CAM I offer from electing the A-CAM II offer unfairly prejudices A-CAM I carriers and the end-user customers those carriers serve.

This arbitrary and irrational result can be easily remedied by permitting A-CAM I carriers to elect an A-CAM II-based offer. For non-glide path A-CAM I carriers, prior A-CAM I disbursements in excess of 2015 Legacy Support would be netted out. Glide path carriers would keep their phased-down support for the initial two years of A-CAM I support and then move to A-CAM II support with the effective date of that offer.⁷ This would place more carriers on the A-CAM II offer (or on a revised A-CAM I offer), yielding increased 25/3 Mbps penetration at reasonable cost. Aside from promoting the public interest by more effectively meeting the Commission's objective of ubiquitous 25/3 Mbps broadband service, this would also promote consistent treatment among electing carriers – and, more importantly, among the rural Americans

⁷ For some glide path A-CAM I carriers, A-CAM II support may be higher than the 2015 legacy support which was the benchmark used to determine whether these carriers would be considered glide path carriers. If that is the case, they would no longer be classified as a glide path carrier. For other glide path A-CAM I carriers, A-CAM II support may be less than the 2015 legacy support. For administrative efficiency, Pineland recommends that these carriers continue receiving legacy support on the phase down established under A-CAM I; however, the model support that they would receive at the end of the phase down would be calculated under A-CAM II.

those carriers serve. For these reasons, Pineland respectfully requests that the Commission reconsider its A-CAM II offer to permit A-CAM I electing-carriers to elect the A-CAM II offer (net of prior A-CAM I annual disbursements that are in excess of 2015 Legacy Support).

II. The A-CAM I Order and the Commission’s FTTP Policy

The Commission developed the A-CAM platform to “prioritize model support to those areas that currently are unserved” and directed the “Bureau to exclude from the support calculations those census blocks where the incumbent rate-of-return carrier (or its affiliate) is offering voice and broadband service that meets the Commission’s minimum standards for the high-cost program using FTTP or cable technology.”⁸ The Commission “recognize[d] that these ... census blocks require ongoing funding to both maintain existing service and in some cases to repay loans incurred to complete network deployments.”⁹ The Commission concluded, however, “that it is appropriate to make this adjustment to the model in order to advance our policy objective of advancing deployment to unserved customers.”¹⁰ The idea behind this approach, therefore, was not a finding that census blocks with some fiber or cable did not require support. Instead, the Commission assumed “that the carriers that have already deployed FTTP or cable broadband have done so within the existing legacy support framework. They will continue to receive HCLS and support through the reformed ICLS mechanism, and thus there is no need for a new mechanism to support their existing deployment. Those carriers are not required to elect model-based support and therefore this decision does not drastically reduce their support.”¹¹

⁸ *A-CAM I Order* at ¶ 56.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

III. The A-CAM II Order Created Irrational and Unjustifiable Disparities Among Rural Areas by Fundamentally Shifting the Commission’s Approach to FTTP.

The December 2018 A-CAM II Order contained a new offer that reflected a significant shift in the Commission’s FTTP policy. Despite its prior conclusion that support was unnecessary for end-user locations if FTTP was present in any portion of a census block, the Commission now chose to fund “census blocks where the carrier or its affiliates *have deployed* fiber-to-the-premises [FTTP] or cable.”¹² This difference in the scope of covered census blocks is explained by an important change in what carriers have to do with the support they receive. Specifically, in addition to the deployment requirements of A-CAM I, “carriers accepting the new [A-CAM II] offer will be required to deploy *25/3 Mbps service* to a number of locations equal to the number of eligible fully funded locations in their service area.”¹³ Unlike in 2016, simply providing 10/1 Mbps service is now no longer good enough. The customers of carriers accepting the ACAM II offer would get – to put it bluntly – better broadband, more akin to that available to non-rural customers.

As far as it goes, the decision to simultaneously include more census blocks and to require better broadband makes sense. The Commission reasoned that support for census blocks that already had some FTTP will “spur deployment of higher speeds, even for carriers that were previously excluded due to their reported 10/1 Mbps deployment.”¹⁴ It stated that “including census blocks which already have some fiber-to-the-premises *will promote more and higher speed deployment to locations in those census blocks that do not currently have 25/3 Mbps or better service*. Moreover, the Commission has previously recognized that *areas with partially or fully-deployed fiber-to-the-premises may still require high-cost support to maintain existing*

¹² A-CAM II Order at ¶ 34 (emphasis added).

¹³ *Ibid.*

¹⁴ *Ibid.* at ¶ 40.

service.”¹⁵ Basically, the Commission recognizes – correctly – that getting 25/3 Mbps service to rural areas requires support, *even where some FTTP or cable exists in a census block.*

The Commission, however, apparently got confused in trying to apply this new policy to carriers such as Pineland that had accepted an earlier offer. Perhaps by virtue of being so far “down in the weeds” of the details of the A-CAM II offer, the Commission appears to have lost sight of the fact that the point of these offers is to get high-quality, 25/3 Mbps broadband service deployed as widely and as fairly as possible. It hasn’t gotten any easier or cheaper, in the time since the A-CAM I offers were devised, for carriers to upgrade to 25/3 Mbps service in census blocks with some FTTP or cable. And there is no conceivable rationale for giving a preference (in terms of quality of supported broadband service) to the customers of carriers that didn’t take an earlier offer over the customers of those that did. Yet that is exactly the result of the *A-CAM II Order’s* exclusion of carriers that had accepted an earlier ACAM offer from the newly-minted A-CAM II offer.

The Commission does not explain why it makes sense to exclude the customers of current A-CAM carriers from the benefits of the new FTTP policy – which, as noted above, is intended to deploy more broadband – and better, faster broadband – than the earlier offers. Instead, the Commission notes only that “ITTA, WTA and USTelecom support this modification, and no commenter opposed it.”¹⁶ But this does not fairly reflect those entities’ comments, all of which clearly indicated that the proposed change to the underlying policy – that is, the *simultaneous* increase in minimally acceptable broadband speed to 25/3 Mbps service, *combined with* the expansion of support to include census blocks with FTTP or cable – should apply to *all* rural

¹⁵ *Ibid.* at ¶ 45 (emphasis supplied).

¹⁶ *Ibid.*

carriers, including those that had elected previous A-CAM I offers.¹⁷ Like the associations whose comments the Commission cites, Pineland agrees that it makes sense to increase the target level of broadband service to 25/3 Mbps, but also agrees that it is illogical to randomly limit the areas within which rural Americans will receive that improved level of service, based on whether the carriers that serve them elected earlier support offers. That is, it makes sense to improve the level of broadband service that carriers must provide in order to receive support, and it makes sense to extend support for the higher level of broadband to census blocks with some FTTP or cable. But having recognized these points, it makes no sense to fail to extend the improved support, with its concomitant improved level of broadband, to all rural carriers – whether or not they had previously accepted an earlier A-CAM offer with lower levels of required service. The key effect of that failure, from a public policy perspective, is to deprive the customers of carriers who were originally most willing to move towards more ubiquitous broadband – as shown by their accepting the earlier offers – from receiving the level of broadband that the Commission now treats as the minimum acceptable level.

In contrast to the approach in the *A-CAM II Order*, including “census blocks where fiber-to-the-premises or cable has already been deployed by the incumbent of its affiliate,”¹⁸ *with the attending 25/3 Mbps obligations*, is the best policy for purposes of preserving and advancing

¹⁷ For example, ITTA clearly stated that it “urges the Commission to allow locations *served by original A-CAM participants* in census blocks that would otherwise have been eligible for the second offer to count towards original A-CAM participants’ overall deployment obligations attendant to the original offer. Such allowance is congruent with the principle enunciated above of parity between the two offers, and would mitigate *the inequity inherent in permitting census blocks with FTTP or cable deployment to receive support from the second A-CAM offer but not the original one.*” *Comments of ITTA – The Voice of America’s Broadband Providers* (May 25, 2018) at 25 (emphasis added). Similarly, USTelecom stated that it “disagreed with the decision to exclude [FTTP census blocks] in 2016 and supports the proposal to include support for those areas now,” but that “*it should do so for all A-CAM electors whether current or future.*” As previously stated, USTelecom supports a second A-CAM opportunity *for all cost-based carriers* and if the Commission should change its rules to allow for support in census blocks where an affiliate is providing 10/1 Mbps or better or using FTTP or cable technologies then it should do so *for all current or future participants in the A-CAM.*” *Comments of USTelecom Association* (May 25, 2018) at 16 (emphasis supplied).

¹⁸ *Ibid.*

rural high-speed broadband deployment. From the perspective of the public interest in ubiquitous broadband service, therefore, the A-CAM II offer is a fundamental improvement over the earlier ACAM offers. It makes no sense to arbitrarily exclude from the benefits of that fundamentally improved policy the customers of carriers who previously accepted an earlier, less demanding A-CAM I offer. The Commission, therefore, should reconsider that error and instead permit A-CAM I carriers to elect A-CAM II (with netting of prior years' A-CAM I support in excess of 2015 Legacy Support).¹⁹

IV. Revising the A-CAM I Offers is Consistent with Commission Precedent.

Revising the support available to carriers such as Pineland, which accepted an earlier offer, is entirely consistent with Commission precedent. Indeed, in the *A-CAM II Order*, the Commission made a second revised offer to A-CAM I carriers, under which they could accept two years of additional support (at A-CAM-I levels) in exchange for increases in the amount of 25/3 Mbps broadband service they provide.²⁰ This demonstrates and affirms that the Commission may revise the terms available to carriers that have accepted previous offers when doing so would advance its goals and promote the public interest. That is all that Pineland is suggesting that the Commission should do on reconsideration: increase the support available to carriers that accepted earlier offers in a manner directly consistent with the terms of the A-CAM II offer, thereby more equitably distributing support for rural customers to receive 25/3 Mbps service. It just makes

¹⁹ The *A-CAM II Order's* offer to extend for two years the period of A-CAM I receipts in the A-CAM I second revised offer is not a reasonable fix for this problem. First, the 25/3 Mbps obligation is expanded to reach, in some cases only 10% percent more of the identified fully funded locations, thus leaving a sizable percentage of locations in the study area – between 15% and 50% –at an obligation of less than 25/3 Mbps. Second, the two-year second revised offer will likely provide only a fraction of the support needed to advance 25/3 Mbps service and extend service to even higher broadband speeds and capabilities throughout a carrier's study area.

²⁰ In addition, non-glide-path carriers' fully funded location amount was raised to \$200 per location.

sense to extend sound policy arrangements in the A-CAM II offer to all rural carriers—and thus all the rural Americans they serve—on an equitable basis.

Here, under the A-CAM I and first revised offers, the requirement for 25/3 Mbps service extends to roughly half of potential customers (on a sliding scale from 25% to 75% of funded locations).²¹ The A-CAM II offer dispenses with half-measures and requires that carriers provide 25/3 Mbps broadband service to *all* fully funded locations. This expanded requirement is clearly in the public interest. The A-CAM II offer, in short, gets the underlying broadband policy right, and there is no reason to exclude from its benefits those carriers who took an earlier A-CAM I offer. Instead, the scope of the A-CAM II offer should be expanded to cover all rural carriers – and the rural Americans they serve – which would allow for a sizable increase in fully funded locations receiving at least 25/3 Mbps service.

In the abstract, the Commission could be concerned that Pineland’s proposal of extending A-CAM II availability to all carriers might cost too much money. In practice, however, funding concerns should be no bar to granting Pineland’s petition for reconsideration. The Commission already concluded that the benefits of providing support to census blocks with FTTP or cable networks more than justify the increase in required support. Indeed, the discussion of the A-CAM II offer makes this justification very clear. The A-CAM I reports show that the Commission has been willing to offer an average of \$852 per location in annual support.²² Under the reconsideration Pineland is proposing, however, it would receive \$564 per location in annual support for the locations excluded from the A-CAM I offer it accepted – less than what the Commission has

²¹ For the A-CAM I revised offer, that increases to a sliding scale from 50% to 85% – still considerably below the 100% deployment of 25/3 Mbps service contemplated by the A-CAM II offer.

²² See Commission A-CAM I second revised offer (rel. Feb. 25, 2019). (The figure in the text is the total support divided by the total number of fully funded locations.)

already found to be a reasonable level of support for the benefits received.²³ In effect, the Commission has already made the case for providing support for 25/3 Mbps service in census blocks with FTTP or cable. It makes sense for the Commission to offer to A-CAM I carriers a support option that, if accepted, would ensure at least 25/3 Mbps service to over 230,000 fully funded locations when the per-location support for these locations would be *less* than what is currently offered to A-CAM I carriers.²⁴ Indeed, it seems irrational on its face not to do so. Failure by the Commission to grant Pineland's petition for reconsideration amounts to an affirmative choice to spend *more* high-cost support dollars in exchange for *less* deployment of high-quality, 25/3 Mbps broadband. It is impossible to justify such a decision, and the Commission should correct its error on reconsideration.

V. The Commission Should Adjust Carrier Support to Accommodate an A-CAM I Carrier Selecting the A-CAM II Offer.

Carriers that elected A-CAM I have been receiving A-CAM support and, in certain instances, glide-path support in lieu of Legacy Support for the past two years. Pineland does not suggest that these previously-received amounts be ignored. Instead, Pineland recommends that the Commission net a carrier's A-CAM I disbursements that exceed 2015 Legacy Support amounts for the same period against the ten-year A-CAM II support the carrier would receive. To avoid undue fluctuations in support amounts, Pineland recommends that the A-CAM II payments be reduced to account for these initial A-CAM I payments over a term of no less than four years. Netting out this amount of support means that carriers will not be able to game the

²³ This figure is the calculated per location support in model report version 4.1 for Pineland. It includes locations specifically excluded in A-CAM I offer due to FTTP service by Pineland or its affiliate. After the FTTP exclusion, Pineland's per location support rose to \$641, as reported in model report version 4.2.

²⁴ To isolate the FTTP policy decision for A-CAM I, compare model report 4.1 to version 4.2. The annual per location support prior to the FTTP census block exclusion was \$795. After the FTTP census block exclusion the per location support rose to \$808, and over 575,000 locations were excluded from fully funded support and attending service obligations.

system by shifting to the A-CAM II offer while retaining A-CAM I benefits. At the same time, spreading out the net reductions over time will help carriers avoid any sudden support changes as they build out and deploy networks to meet their obligations. An A-CAM I electing-carrier that now elects A-CAM II, however, would not be “made whole,” since the annualized two-years of A-CAM I support in excess of 2015 Legacy Support that was received would be subtracted from A-CAM II disbursements.²⁵

VI. Any Increase in Support Under Pineland’s Proposal Would Not Be a Windfall

Any increase in support received by A-CAM I carriers accepting A-CAM II support (and accompanying obligations) would not be a windfall for the carriers. The obligation to use the support for 25/3 Mbps broadband deployment ensures that any increase in support will be used to meet these more demanding service obligations and advance broadband deployment in more fully funded census blocks. The Commission is aware that “including census blocks which already have some fiber-to-the-premises will promote more and higher speed deployment to locations in those census blocks that do not currently have 25/3 Mbps or better service. Moreover, the Commission has previously recognized that areas with partially or fully-deployed fiber-to-the-premises may still require high-cost support to maintain existing service.”²⁶ This sensible and reasonable policy should apply uniformly to all locations served by A-CAM electing carriers. Most critically, end-users would benefit from this policy as it would require electing carriers to use the support to operate, maintain, and advance broadband services throughout their fully funded census blocks.

²⁵ Since Pineland’s proposal includes an adjustment to prior A-CAM I support levels, Pineland recommends the Commission allow this offer as an option for all A-CAM I carriers. The existing two-year extension option should remain effective as proposed by the Commission.

²⁶ *A-CAM II Order* at ¶ 45.

VII. The Public Interest Would Be Served by Allowing A-CAM I Carriers to Elect A-CAM II (Net of Prior Years' Annualized A-CAM I Support in Excess of 2015 Legacy Support)

The Commission has made clear that its current goal is to provide 25/3 Mbps broadband service to as many rural Americans as possible. This goal would be better served by granting this Petition for Reconsideration than by denying it. The Commission has stated that it is desirable to have fully funded locations receive at least 25/3 Mbps service.²⁷ Pineland is proposing that the Commission modify its FTTP policy as articulated under the A-CAM I framework to match its policy as applied under the A-CAM II framework, by providing equitable treatment for carriers and customers throughout the nation. The grant of this Petition could potentially increase fully funded locations by 230,000 nationally, at a cost per funded location that is lower than amounts that the Commission has previously found acceptable for achieving this goal. This is a public benefit that would be enjoyed by all, permitting rural areas of the nation to receive the benefit of 25/3 Mbps broadband service, enabling these communities to prosper in the 21st Century economy and society.

VIII. Conclusion

In this Petition for Reconsideration, Pineland seeks to ensure that all rural Americans can benefit from the 25/3 Mbps broadband service that the Commission now views as the minimum acceptable level. The A-CAM II offer as presently structured creates a serious, arbitrary, and irrational distinction among rural locations, due to the Commission's decision (correct as far as it goes) to permit funding for census blocks that already include some FTTP or cable to some locations. The A-CAM I second revised offer does not adequately address this inequity because

²⁷ See e.g., *A-CAM II Order* at 23.

a sizeable number of locations under that offer will remain without support for 25/3 Mbps broadband service.

To address this problem, the Commission should harmonize its policy regarding funding census blocks with FTTP or cable. Pineland thus requests that the Commission reconsider its decision to preclude A-CAM I carriers from electing A-CAM II support and obligations. Importantly, however, as discussed above, the approach recommended by Pineland would allow a portion of A-CAM I support (the amount received under A-CAM I prior to the A-CAM II election in excess of 2015 Legacy Support) to be netted against A-CAM II support. This adjustment would allow the Commission to grant the Petition without giving A-CAM I-electing-carriers the opportunity to over-recover. Finally, the public interest will be served by granting the Petition, because more rural Americans, in more areas of the nation, will benefit from federal support and, therefore, improved broadband service.

Respectfully Submitted,

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