Chairman Tom Wheeler  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

I’m writing today in support of the further waiver application of Allband Communications Cooperative, filed December 31, 2014. Allband is the first Michigan non-profit telephone cooperative, and the only entity to serve the Robbs Creek exchange, a heavily forested rural area comprising parts of Alcona, Alpena, Montmorency and Oscoda counties in northeast Lower Michigan.

The Federal Communications Commission’s (FCC’s) 2011 USF/ICC Transformation Order capped at $250 per month ($3,000 per year) the amount of total per-line Universal Service Fund (USF) support a carrier like Allband may receive. The current effect of this cap would be to reduce Allband’s USF support by $352 per-line per month ($4,221 per-line per year). While Allband was granted a waiver in 2012, that waiver is set to expire on July 1, 2015.

The loss of USF revenues of this magnitude means that Allband would be unable to pay many of its essential operating costs. In addition, Allband would be unable to repay the scheduled interest and principal on its Rural Utilities Service Loan, obtained to fund the construction of its network.

Before Allband commenced service in 2006, no wireline carrier had ever served the area, and cellular service was and remains unavailable or unreliable throughout most of the 177-square mile region. Allband continues to be the only entity willing and able to provide voice and data telecommunications services (including essential public safety services) within the Robbs Creek area during the foreseeable future.

While I certainly understand and agree with the goals of USF reform, I request you consider an exception to the $250 cap as being warranted in this case. It is my hope that Allband and the FCC will be able to come to an agreement that allows the residents of the Robbs Creek exchange to retain basic telecommunications services. Thank you for your attention to this issue. Please contact Jordan Vivian in my office at (202) 225-4735 with any questions.

Sincerely,

Dan Benishek  
Member of Congress
The Honorable Dan Benishek 
U.S. House of Representatives 
514 Cannon House Office Building 
Washington, D.C. 20515 

Dear Congressman Benishek:

Thank you for your letter supporting Allband Communications Cooperative’s (Allband) petition requesting further waiver of section 54.302 of the Commission’s rules, which establishes a presumptive $250 per month cap on total high-cost universal service support. I apologize for the tardiness of this response. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission’s review.

On July 25, 2012, the Wireline Competition Bureau (Bureau) granted Allband a three-year waiver of section 54.302 so that the carrier could receive the lesser of high-cost universal service support based on its actual costs or the annualized total high-cost support that it received for the period January 1, 2012 through June 30, 2012. The Bureau’s order stated that if Allband determined that additional support above the $250 cap was necessary after June 30, 2015, the carrier should file the financial and operational information necessary to determine what further relief is appropriate based on the specific circumstances present at that time.

On December 31, 2014, Allband filed a petition for further waiver of section 54.302 for an additional 12 years, and included audited financial statements. Allband stated that a waiver is necessary to allow the carrier to continue to provide voice services, repay its Rural Utilities Service loan, and continue operations.

After reviewing the materials submitted, the Bureau identified certain accounting issues that require further review. Based on the information submitted, the Bureau was unable to determine the extent to which relief may be appropriate. Therefore, on June 29, 2015, the Bureau issued an order that extends Allband’s previously granted petition on an interim basis, and directs the Universal Service Administrative Company (USAC) to undertake the necessary inquiry and report its findings to the Bureau. We expect those findings this week.

The Bureau’s order extends Allband’s current waiver until the earlier of either December 31, 2015, or the date on which further action is taken on the pending waiver request. This action will maintain the status quo while USAC conducts its review and the Bureau analyzes the data and arguments presented, without prejudging whether to proceed with Allband’s request.
I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

[Signature]

Tom Wheeler