Computer 5, Inc. (dba LocalTel Communications) hereby files comments in response to Public Notice DA 15-158.

In the aforementioned PN, the Commission encouraged general comment on proposals made in petitions by NTCA—The Rural Broadband Association (NTCA)\(^1\) and the National Rural Utilities Cooperative Finance Corporation (CFC) and its affiliate, the Rural Telephone Finance Cooperative (RTFC)\(^2\) “regarding LOC bank eligibility requirements and their potential applicability to the Phase II competitive bidding process”.\(^3\)

We are in general agreement with the CFC petition, and we specifically echo their assertion that some “telecommunication borrowers only have banking relationships with regional banks”.\(^4\) We contend that this fact will be a negative deciding factor for small companies nationwide who might otherwise participate in the Phase II bid, and consequently may adversely impact the general success of broader CAF goals, especially in rural areas.

In that same vein, we are also in general agreement with the NTCA petition. Specifically we agree with its assertions that “for smaller entities... the cost of obtaining a LoC from a “top 100 bank” may be prohibitive and all but defeat the rationale for obtaining support”\(^5\), that the requirement “is effectively a bar to participation” for “entities that are otherwise best positioned

\(^1\) Emergency Petition of NTCA—The Rural Broadband Association for Limited Waiver of Rural Broadband Experiment Letter of Credit Requirement, WC Docket Nos. 10-90, 14-58, 14-259 (filed Feb. 3, 2015) (NTCA Petition)
\(^3\) Wireline Competition Bureau Seeks Comment On NTCA’s Emergency Petition For Limited Waiver Of Rural Broadband Experiment Letter Of Credit Bank Eligibility Requirements; Also Seeks Comment More Generally On Bank Eligibility Requirements For Connect America Phase II Competitive Bidding Process, WC Docket Nos. 10-90, 14-259, Public Notice, DA 15-158 (PN)
\(^4\) See CFC Petition, pg. 10
\(^5\) See NTCA Petition, pg. 2
and most committed to deliver on the promise of universal service in rural areas,” and we support its request that the LOC acceptability requirements be modified to allow LOC’s from “any federally-insured U.S. bank.”

We fully support the Commission’s commitment to responsibly disseminate the funds available via the Phase II bidding process, but we respectfully request that the Commission reconsider the full impact of its rules regarding LOC’s and that it do so with an eye to enabling the participation of the entities best suited to realizing the ultimate goals of the entire CAF project – the small telecommunications companies of rural America.

Respectfully Submitted,

/s/ John J. Seabeck
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6 See Id., pg. 3
7 See Id., pg. 2