

FCC Workshop Panel
The Evolution of the State/Federal Partnership in a Broadband World
May 18, 2011

Statement of Positions for Tom Conry, Farmers Mutual Cooperative Telephone Company (FMCTC)

1. Role of States and Federal in Cooperation:

- Federal and state States governments have historically partnered to ensure that all consumers have access to voice service; that federal / state partnership will be even more critical when it comes to ensuring that all consumers have access to comparable broadband services at comparable prices.
- The Act mandates a partnership and common sense dictates that it will take the resources of both federal and state government to accomplish the goal.
- The federal government is best at dealing with nationwide issues such as comparability of services and price and state government is best at dealing with issues that require detailed knowledge of local facts and customs.

2. COLR – Carrier of Last Resort:

- Historically Carriers have met public interest requirements in the form of Carrier of Last Resort Obligations and those obligations have been imposed and enforced by the states. These public interest requirements have been essential to fulfilling the goal of universal access to quality voice services.
- COLR has traditionally been defined as the obligation to serve every subscriber within a certified boundary service area.
- This kind of obligation is even more important if broadband is to be made available to every American as described in Section 254. If USF recipients are not subject to clear, well-defined, and reasonable obligations to use funding to deliver broadband to all customers, the FCC's efforts at reform will be inefficient.
- States without specific written COLR rules per se, often have rules limiting exit and service discontinuance, assuring that customers have a reliable quality of service.
- The states are in the best position to develop and enforce these obligations; however the federal government may want to establish minimum nationwide obligations.

3. ETC – Eligible Telecommunications Carrier

- Only ETCs should be eligible for universal service support (there is no "P" in ETC)
- States have the primary responsibility for designating ETCs and defining their service area.
- As the FCC had done in the past, it would be helpful for the FCC to recommend standards and criteria for states to use in the designation of ETCs. These standards and criteria should include obligations for serving all customers in the area and other COLR.

4. Enforcement:

- Rules, obligations, and requirements must be enforced – carriers must be accountable
- The federal and state government should clearly define which entity has responsibility for each type of enforcement.
- States should have primary responsibility for ETC, COLR, and build out enforcement.

5. Role of State USF Programs:

- State funds that assist in the support of networks in high cost areas, can be critical to meet the obligations of universal service.
- Any funds that are calculated based today upon the costs for a given company to serve an area for Federal or State support should not be retargeted to another area. Each area should receive the support based upon the formula for the area for which it was derived.
- States should create a fund, rebalance rates and unify access rates.