

**BEFORE THE
IOWA UTILITIES BOARD**

Application of LTD Broadband, LLC.)	
for Designation as an Eligible)	
Telecommunications Carrier for the)	
Purpose of Providing Services)	Docket No. _____
Supported by the FCC's Connect)	
America Fund Phase II)	

**LTD BROADBAND LLC APPLICATION FOR ELIGIBLE TELECOMMUNICATIONS
CARRIER DESIGNATION**

LTD Broadband LLC ("LTD" or the "Company") participated in the Federal Communications Commission's ("FCC") Connect America Fund Phase II ("CAF II") auction ("Auction 903") and was deemed a winning bidder for 145 locations in the eligible census blocks in the census block groups identified in Exhibit B (hereinafter referred to as "Funded Areas"). In this petition, LTD requests an ETC designation for these Funded Areas, which will be given a Study Area Code upon final FCC authorization of CAF II funding. With this Application, and supporting documents, LTD seeks ETC designation from the Iowa Utilities Board ("Board") in the Funded Areas in the census block groups listed in Exhibit A, pursuant to § 214(e) of the Communications Act of 1934.

All correspondence, communications, pleadings, notices, order and decisions relating to this Application should be addressed to:

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I. Background

On August 28, 2018, the FCC released a Public Notice¹ announcing the conclusion of Auction 903. Areas that will receive support through this auction are locations in census blocks in rural areas served by price cap carriers that do not have access to broadband at speeds of at least 10 Mbps downstream and 1 Mbps upstream (“10/1”). The FCC has determined that these areas are rural, sparsely populated, and historically, there has not been a viable business case that makes financial and operational sense for investing in state-of-the-art broadband infrastructure in the absence of sufficient and predictable universal service support. The CAF Phase II funding, grant funding, loans and other financial tools, provide sufficient incentives for entities, such as LTD, to expand their existing footprints and serve the rural areas identified for support in Auction 903.

Carriers awarded support in this auction must deploy broadband to the specified number of locations in eligible census blocks in the census block groups in which they bid within a six-year period at the speed tier specified in their bid. Funding in the form of CAF II support will be provided monthly over a ten-year period based upon the amount of their winning bid.

LTD participated in this auction and was among the 103 providers listed as provisional winners. LTD will receive \$69,516.40 over a ten-year period to build a network capable of delivering 25/3, low latency broadband to the 33 locations in the Funded Areas upon completion of certain post-auction requirements. One of these requirements is for LTD to be designated an ETC in the Funded Areas by February 25, 2019. Accordingly, grant of this application is vital for consumers in rural Iowa to be able to receive high speed broadband. The services offered to these subscribers will be the same as LTD provides other customers in Minnesota and Iowa. These services consist of both IP-Voice Services and fixed wireless Broadband service.

LTD will provide Lifeline services where customers can purchase standalone VoIP telephone service for \$24.95/mo. The lifeline adjusted price would be \$15.70 after the \$9.25 discount is applied.

¹ Connect America Fund Phase II Auction (Auction 903) Closes; Winning Bidders Announced; FCC Form 683 Due October 15, 2018, Public Notice, AU Docket No. 17-182, WC Docket No. 10-90, DA 18-887 (rel. Aug. 28, 2018) (“Provisional Winners PN”).

II. Authority to Designate the Funded Areas

Pursuant to 47 USC § 214(e)(2), a state utilities board may designate a common carrier that meets the requirements of 47 USC § 214(e)(1) as an ETC for a service area designated by the state utilities board. Further, the Board has authority to designate telecommunications companies as ETCs to receive universal service support under sections 214 and 254 of the Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (“the Act”) and has authority to designate geographic service areas for ETCs to receive the support.

47 USC § 153(11) defines a common carrier as “any person engaged as a common carrier for hire, in LTD or foreign communication by wire or radio or in Interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.”² LTD provides information services and will continue doing so in the Funded Areas in which it seeks designation. Additionally, as demonstrated below, LTD satisfies the requirements of Section 214(e)(1) for designation as an ETC in the Funded Areas. Accordingly, the Board has the authority to designate LTD as an ETC in the Funded Areas.

III. LTD Satisfies All the Requirements for Designation as an ETC

Section 214(e)(1) of the Communications Act of 1934, as amended and Section 54.201(d) of the rules of the FCC require ETCs to, throughout their service areas for which designation is received, (1) offer the services supported by federal universal service support mechanisms, (2) either using its own facilities or a combination of its own facilities and resale of another carrier’s services, and to (3) advertise the availability of such services and the charges using media of general distribution³.

A. ETCs Must Offer Supported Services Through its Own Facilities or Through a Combination of its Own Facilities and Resale

In order to be designated as an ETC, a carrier must offer the services that are supported by universal support mechanisms, which are voice telephony services and broadband service as defined in Section 54.101 of the Commission’s Rules⁴ either through its own facilities or a

² 47 USC § 153(11).

³ 47 U.S.C. §214(e)(1); 47 C.F.R § 54.201(d)(1). 47 C.F.R § 54.201(d)(1) defines the term “facilities” as meaning “any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support”

⁴ 47 C.F.R. §54.101.

combination of its own facilities and resale of another carrier's facilities. Section 54.101(a)(1) defines voice telephony services eligible for universal service support as:

services [that] must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.⁵

Section 54.101(a)(2) defines broadband Internet access services eligible for universal service support as:

services [that] must provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.⁶

The FCC has additional buildout requirements for carriers that are awarded CAF Phase II auction support. Pursuant to these requirements, LTD must be able to provide 25/3 Mbps broadband to the 145 locations in the Funded Areas within a six-year period.⁷

⁵ 47 C.F.R. §54.101(a)(1)

⁶ 47 C.F.R. §54.101(a)(2). Section 54.101(c) requires ETCs "subject to a high-cost public interest obligation to offer broadband Internet access services" to offer broadband services "within the areas where it receives high-cost support."

⁷ For recipients of CAF Phase II support, the FCC waived the requirement that winning bidders seeking an FCC ETC designation file a five-year improvement plan and demonstrate that it will satisfy applicable consumer protection and service quality standards. See WCB Reminds Connect America Fund Phase II Auction Applicants of the Process For Obtaining a Federal Designation as an Eligible Telecommunications Carrier, Public Notice, WC Docket Nos. 09-197, 10-90, DA 18-714 (rel. July 10, 2018) at pp 4-5.

B. LTD Hereby Demonstrates That it will Offer and Provide Each of the Above-listed Services Through its Own Facilities and Resale of Another Carrier's Origination and Termination

1. Voice Grade Access to the Public Switched Network or its Functional Equivalent

Voice grade access to the Public Switched Network or its functional equivalent is provided by LTD using Inteliquent as a wholesale VoIP provider along with our voice softswitch cluster.

VoIP voice services will be offered to customers. Our softswitch cluster is readily scalable far beyond current usage levels to easily accommodate additional voice customers. Voice switching, broadband backhaul, customer care, network operations and administration will be shared with our current operations. LTD already has data connection to the internet and voice interconnection with Inteliquent for the exchange of traffic.

2. LTD Offers Minutes of Use for Local Service Provided at No Additional Charge to End Users

LTD will offer voice products in the rate centers of the Funded Areas provisionally awarded to the Company. The local service includes free local calling to the rate centers included with the line for a fixed price.

3. LTD Will Satisfy the Requirement for Access to Emergency Services

LTD will provide access to emergency services through 911 access to the PSAP for all rate centers, as provided our wholesale VoIP providers' operations today. The requirement that ETCs offer access to 911 or enhanced 911 ("E911") applies only "to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems."⁸

4. LTD Will Offer Toll Limitation Services

As part of the requirement that ETCs offer Lifeline discounts to qualifying customers, Section 54.400(d) of the FCC rules require ETCs to offer toll limitation services.⁹ According to this rule, toll limitation service "denotes either toll blocking or toll control service for [ETCs] that are incapable of providing both services" or denotes both toll blocking and toll control

⁸ 47 C.F.R. § 54.101(a)(5).

⁹ 47 C.F.R. § 54.404(d).

service for ETCs that are capable of providing both services.¹⁰ LTD is able to provide toll control service and will provide toll limitation service in the Funded Areas.

5. LTD Will Advertise its Universal Service Offerings

LTD commits to advertise the availability of, and charges for, the supported services using media of general distribution, consistent with its existing advertising practices. The advertising will occur through a combination of media channels, such as the local newspapers in each community, direct mail, website, TV ads and social media.

C. LTD Meets the Additional Eligibility Criteria Adopted by the FCC

In its *2005 ETC Order*,¹¹ the FCC adopted additional criteria that all ETC applicants must satisfy in order to be granted ETC status. The criteria, as set forth in Section 54.202 of the FCC's Rules, require that an ETC applicant must: (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network throughout its proposed service area; (3) demonstrate its ability to remain functional in emergency situations; (4) demonstrate that it will satisfy consumer protection and service quality standards.¹² To the extent applicable, LTD will meet each of these additional criteria.

1. LTD Certifies that it Will Comply with Service Requirements Applicable to the Support that it Receives

In its *2005 ETC Order*, the FCC required that an ETC applicant "make specific commitments to provide service to requesting customers in the service areas for which it is designated as an ETC." Specifically, the FCC found that if the ETC's network already passes or covers the potential customer's premises, the ETC should provide service immediately. In those instances where a request comes from a potential customer within the applicant's service area but outside its existing network coverage, the ETC applicant should provide service within a reasonable period of time if service can be provided at reasonable cost by: (1) modifying or replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other

¹⁰ 11 Id. 47 C.F.R. § 54.404((b) defines toll blocking as "a service provided by an [ETC] that lets subscribers elect not to allow the completion of outgoing toll calls from their telecommunications channel" while 47 C.F.R. § 54.404(c) defines toll control as "a service provided by an [ETC] that allows subscribers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle."

¹¹ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order")

¹² See, 47 C.F.R § 54.202.

equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5) reselling services from another carrier's facilities to provide service; or (6) employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment.

The FCC stated that if an ETC applicant determines that it cannot serve the customer using one or more of these methods, “then the ETC must report the unfulfilled request to the Commission within 30 days after making such determination.”

LTD hereby certifies that it will comply with the service requirements applicable to the supported voice and broadband services that it will be offering in the Funded Areas, including the requirements for the CAF II auction program. LTD has submitted a certification by a professional engineer as part of its CAF II long form application, which states that the Company’s network is capable of providing voice and data services to customers in the Funded Areas and the network capacity can handle the anticipated peak service loads.

2. Five-Year Plan for Proposed Improvements or Upgrades

LTD will provide service to the locations for which it has been awarded support, consistent with the deployment obligations associated with the CAF Phase II auction program. All LTD service areas will be constructed with a hybrid fiber optic and fixed wireless network, with the ability to deliver 25/3 Mbps services to 95% of the 33 awarded locations. The proposed buildout plan for the CAF II Funded Areas is to build a hybrid fiber and fixed wireless network to those census blocks listed in Exhibit B.

3. LTD Will Remain Functional in Emergency Situations

LTD hereby certifies that it is able to function in emergency situations as set forth in §54.202(a)(2).¹³ LTD’s voice and broadband network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can modify network routing and weighting as needed to reroute traffic around damaged facilities. Traffic management capabilities will also allow LTD to manage traffic spikes throughout its network, as emergency situations require.

¹³ Section 54.202(a)(2) requires ETCs that are designated by the Commission to “demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of maintaining traffic spikes resulting from emergency situations.”

LTD has established reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm, or acts of God, including provisions for emergency power that meet or exceed the rule requirement to provide a minimum of four hours of battery service at each tower site in the network path servicing an awarded census location, and mobile power units that can be delivered on short notice and which can be readily connected to towers without installed emergency power facilities.

LTD has informed employees as to the procedures to be followed, including reasonable rerouting of traffic around damaged facilities and the deployment of emergency power in the event of emergency in order to prevent or mitigate interruption or impairment of telecommunications service. The Company also complies with the FCC's backup power requirements that became effective in 2015.¹⁴

4. LTD Will Satisfy Consumer Protection and Service Quality Standards

In establishing this certification in its *2005 ETC Order*,¹⁵ the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."¹⁶ The FCC found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement, and that the sufficiency of other commitments would be considered on a case-by-case basis.¹⁷ In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."¹⁸

LTD hereby certifies that it is complying with applicable service quality standards and consumer protection rules. LTD is subject to service quality standards and consumer protection obligations under both federal and, to a limited extent under Iowa state law as telecommunications carrier subject to Iowa Utilities Board regulation. These obligations include, but are not limited to, the following: (1) adherence to state consumer protection and service quality requirements governing telephone providers; (2) truth-in-billing requirements; and (3)

¹⁴ 47 C.F.R. § 12.5.

¹⁵ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order").

¹⁶ *Id.* at ¶ 28.

¹⁷ *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new services; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy."

¹⁸ *Id.* at n. 72.

CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

In addition, LTD certifies compliance with broadband-specific consumer protection obligations under both state and federal law. The federal law obligations include, but are not limited to the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, service and device providers to develop, market, and maintain internet offerings as specified in FCC 47 CFR Part 8 § 8.3.

IV. Grant of This Application Will Serve the Public Interest

LTD is one of the largest fixed wireless Internet service providers in the US and covers over 250,000 rural locations from a network of more than 1300 towers with 25/3 Mbps broadband.

LTD was founded in 2011 and is limited liability corporation Wireless Internet Service Provider ("WISP") headquartered in Las Vegas, Nevada. The Company provides broadband services to more than 9,700 customers throughout its service territories. LTD has been declared a provisional winner for the FCC's CAF Phase II auction and continues to push its coverage area boundaries into extremely rural areas that have been left behind in the digital divide.

LTD's focus is to provide quality communications services to its customers at a reasonable price, and LTD is particularly in tune with the communications needs of Americans in extremely rural areas. With this insight, LTD plans to utilize the CAF Phase II support in the Funded Areas as a particularly important source of funding, because it focuses on areas that are fundamentally similar to LTD's incumbent service territory. The individuals who benefit from CAF Phase II support will now be able to stay connected to the world as well as access critical public safety, health, educational, and economically advantageous Internet-enabled services and applications.

Accordingly, it is in the public interest to designate LTD as an ETC in the CAF Phase II Funded Areas. Once the Commission grants LTD's ETC application and the FCC approves LTD for funding, the Company will receive \$69,516.40 over a ten-year period which it will use "as intended" to provide 25/3 Mbps broadband to those residing and working in the Funded Areas.

V. Conclusion

LTD requests that the Board grant this application expeditiously and issue an Order designating the Company as an ETC in Iowa for the specific purpose of receiving federal high cost and low-income funding .

Dated this 22nd day of January, 2019. LTD Broadband LLC.

Attachments

/s/ Corey Hauer

By: Corey Hauer, CEO

Exhibit A

CAF II LTD Broadband Awarded Census Blocks

Census Block	County
190130030023049	Black Hawk
190230702001019	Butler
190230702001047	Butler
190230702001049	Butler
190230702001072	Butler
190230702001076	Butler
190230702001106	Butler
190230704001145	Butler
190674801002126	Floyd
190674801002160	Floyd
190674802001140	Floyd
190674803001065	Floyd
190674803001126	Floyd
190674803001127	Floyd
190799602004038	Hamilton
190799602004041	Hamilton
190799605003001	Hamilton
190834801002082	Hardin
191315602002077	Mitchell
191315602004026	Mitchell
191315602004038	Mitchell
191315602004056	Mitchell