

## Broadband USA Applications Database

**Applicant Name:** KeyOn Communications, Inc.

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### Public Notice Submissions

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**Submitter:** Fidelity Communications Co. and subsidiaries

**Comment:** Fidelity is an ILEC, CLEC, cable TV and internet service provider, who serves a portion of the Applicant's proposed funded underserved service area. Fidelity Communications provides service through its wholly-owned subsidiaries: Fidelity Telephone Co, Fidelity Communications Services I, Fidelity Cablevision and Fidelity Networks. The specific areas served by Fidelity include the city limits of Sullivan, Owensville, Rosebud, New Haven and Rolla, Missouri and some surrounding areas of Franklin, Gasconade, Phelps and Crawford counties. Fidelity has built a robust fiber, coax and copper network providing a large number of subscribers with a package of voice, video and broadband services. Fidelity has provided quality broadband service via DSL and cable modems in these areas since as early as 2000 with current speeds up to 15 Mbps.

**Submitter:** Utopian Wireless Corporation

**Comment:** Proprietary data regarding actual service provider broadband penetration in the proposed service area for this application demonstrates the area is already served by broadband options and therefore this application is ineligible for funding pursuant to the requirements of the Broadband Initiatives Program (BIP) and Broadband Technology Opportunities Program (BTOP).

**Submitter:** TDS Telecom

**Comment:** TDS Telecom offers 3Mbps broadband service within the applicants proposed service area and provides broadband service to customers pursuant to the NOFA definitions.

**Submitter:** Charter Communications

**Comment:** Charter Communications ('Charter'), a broadband service provider, has invested capital to provide a full range of Broadband services, including High Speed Internet services, in this service area. The applicant's request in the proposed under-served service area would create an overlap in Charter's

service area. Charter's response includes the necessary information to validate the overlapping condition as a result of this applicant's request.

**Submitter:** Mark Twain Rural Telephone Company

**Comment:** The application submitted by KeyOn Communications, Inc. contains inaccurate and incomplete information and, consistent with the NOFA, should be rejected. KeyOn Communications, Inc. incorrectly classifies a significant portion of the proposed service area that is currently being served by Mark Twain as "unserved" and / or "underserved" as defined by the NOFA. Mark Twain responds by providing evidence and supporting documentation to prove that these areas served by Mark Twain are in fact adequately "served" with copper, wireless and / or fiber optic facilities. Mark Twain herein provides proof that all subscribers in the designated areas served by Mark Twain have access to adequate and affordable broadband service that exceeds 3 Mbps. As such, the proposed service area contained in the application that is currently served by Mark Twain should not be eligible for funding according to the NOFA rules and regulations posted by NTIA and RUS.

**Submitter:** Northeast Missouri Rural Telephone Company

**Comment:** The application submitted by KeyOn Communications, Inc. contains inaccurate and incomplete information for the proposed funded service area. Northeast Missouri Rural Telephone Company (NEMR) demonstrates that it provides broadband service with download speeds greater than 768K to 100% of the households and businesses located within its service territory. As such, this area is "SERVED" based on the definitions as established in the Notice of Funds Availability (NOFA). In this public notice response NEMR is providing; 1) a map of the overlapping area where NEMR provides broadband services, 2) NEMR's DSL high speed Internet advertising 3) the number of residential households and business establishments capable of receiving broadband services from NEMR within our service area, 4) the number of residential households and business establishments subscribing to our broadband, which is 46.8% of households and 71.0% of businesses; 5) the advertised download and upload speeds and service rates, and 6) comments addressing the existing services offered within the proposed funded service area.

**Submitter:** American Broadband exchanges, Maitland wireless

**Comment:** Holway Telephone Company is an incumbent local exchange carrier (ILEC), which is authorized by the Missouri Public Service Commission (PSC) and the Federal Communications Commission (FCC) to provide advanced and reliable telecommunications services ubiquitously throughout its designated serving areas in northwest Missouri. The Holway Telephone Company offers broadband internet and data services utilizing digital subscriber line (DSL) and fixed wireless technologies. Holway offers broadband services at speeds that meet and exceed the minimum

download (768 Kbps) and upload (200 Kbps) speeds defined in the NOFA. This specific response is from the perspective of the Holway broadband services that are offered within its designated serving areas that overlap with KeyOn's Last Mile Stimulus Application. Holway advertises broadband service alternatives that meet and exceed minimum download and upload speeds defined in the NOFA.

Holway enjoys broadband penetration rates that exceed 40% of households in many of census blocks contained within its serving areas, and this does not count/include the penetration of other broadband competitors that operate in the service area that KeyOn has applied for.

The KeyOn application overlaps with 381 census blocks in which Holway offers DSL and fixed wireless broadband services. In these 381 census blocks, Holway provides broadband service to 186 residential customers and 10 business customers. Holway approaches 30% penetration of residences all by itself and this does not include the number of residences served by other broadband competitors. Thus, the overlap area in the KeyOn application is not unserved and it is not underserved. Furthermore, Holway offers its broadband service at speeds that exceed the NOFA minimums and exceed 3 Mbps, and Holway advertises speeds that exceed 3 Mbps.

The KeyOn stimulus application should be rejected for several reasons, which include but are not limited to:

- 1.KeyOn applied for Stimulus dollars in areas (Census Blocks) that are not unserved or underserved.
- 2.The KeyOn application is overly broad because it did not seek to perform validations of broadband penetration rates at the Census Block level, whereas Holway currently provides, advertises, and tracks broadband penetration to the Census Block level within its designated serving areas.
- 3.Broadband stimulus dollars should not be directed to areas that do not meet the definitions of unserved or underserved territory.
- 4.KeyOn proposes a wireless technology solution. Only Fiber-to-the-Premise solutions offer a long term future-proof solution for meeting the challenge of a rapidly increasing definition of minimum download and upload speeds. KeyOn is only one of several wireless providers within the geography applied for that already offer data services over their wireless networks (Verizon, AllTel, Sprint, AT&T, etc
- 5.KeyOn's application overlaps with the designated service areas of Holway. It is not apparent that KeyOn has addressed the challenge of its application's ability to be economically sustainable in areas that lack population density, and are already served by multiple broadband providers.
- 6.Beyond initial network deployment, wireless infrastructure solutions have not demonstrated the ability to create sustained employment opportunities within the immediate service area. This is contrasted by the fact that Holway has a resident work force, located within its designated serving areas in northwest Missouri, and it has a history of sustained employment.

**Submitter:** Oregon Farmers Mutual Telephone Company

**Comment:** It is impossible to understand fully what KeyOn proposes to do. They have declined to provide the executive summary of their project, and while this seems to be within the grant rules, we do not have enough information to understand how this project might impact Oregon Farmers Mutual Telephone Company. KeyOn should be required to produce an executive summary so that parties have a legitimate chance to understand what they are proposing. If they are required to do so, we should get another chance to respond. KeyOn should not be eligible for a grant simply as a result of withholding information and this grant request probably should be rejected for obscuring the facts. There is no way to understand the technology they propose and other key information we need to analyze their proposal.

With that said, it appears that KeyOn is asking to deploy some sort of wireless technology. The maps they have provided overlap with the franchised service territory of Oregon Farmers Telephone Company. Oregon Farmers is an incumbent rural telephone company that has been serving this area for over 100 years. Oregon Farmers has been granted a franchised area to serve, and since it has been willing to serve a poor and rural area also has been given a federal exemption against competition. Small rural areas like the one served by Oregon Farmers need a barrier against competition to ensure that people in the area can get service for the next century. Oregon Farmers has kept rates low and has brought advanced services and broadband to this rural area when nobody else was willing to make investments in such an impoverished area.

The Oregon Farmers service territory is 'served' using the definitions of the NOFA since the company has 1) more than a 40% broadband penetration, and 2) advertises broadband speeds of 3 Mbps.

This grant should be rejected since the applicants have not done their homework and are proposing to use grant money to cover an area at Oregon Farmers that is already served. Further, our local knowledge of this region tells us that this grant also proposes to bring broadband to many areas where AT&T and other small telephone companies already provide broadband today.

This grant should be rejected in its entirety for not adhering to the grant guidelines for serving mostly unserved and underserved areas. We believe that the vast majority of residences and businesses covered by this proposed grant are already 'served' today with broadband using the definitions defined in the NOFA. KeyOn seems to think that rural equates to 'underserved' and 'unserved' as defined in the NOFA. This is not the case and the county seats, other towns and most census designated areas within the proposed service area already have broadband and are not eligible for grant funding. The NOFA allows for a small portion of any grant to cover served areas, but this grant is mostly covering served areas that already have broadband and should be rejected. KeyOn seems to have done little homework about the local availability of broadband and simply has proposed to get federal money to serve large areas regardless of what is there today. We notice that they have filed similar grant requests in other surrounding states and perhaps they are hoping one of these flawed applications will sneak through. Again, this grant needs to be rejected for a host of reasons, primarily for ignoring the grant rules for

eligibility, but also for refusing to provide an executive summary so that parties like Oregon Farmers can understand what they are proposing.

**Submitter:** Imagination Inc dba I-Land Internet Services

**Comment:** Imagination Inc, dba I-Land Internet Services, respectfully requests that the services we offer and the customers we serve are considered in determining funding for this application. We offer point-to-point wireless broadband service and DSL in numerous areas throughout Missouri, including areas within this application, and are continually expanding our service areas. We have been providing broadband service for over five years and deployed WiMax service in the past year. We currently provide broadband service to well over 3,000 customers, and those customer numbers will only continue to grow significantly as we expand our service areas. We are committed to investing in our networks in order to provide broadband service to both our existing and future customers

**Submitter:** Windstream

**Comment:** Windstream's data strongly suggest that the proposed funded service area likely does not qualify as an underserved area. Windstream offers facilities-based, terrestrial broadband service (meeting the definition set forth in the Notice of Funds Availability) to some of the households in the proposed funded service area, and such households can readily subscribe to Windstream's broadband service upon request. Windstream also has reason to believe that competitive broadband offerings are available in exchanges overlapping the proposed funded service area. Given this information, agency officials should further investigate existing broadband offerings within the proposed funded service area, so that officials can be sure that the area, in fact, qualifies as underserved.

Windstream is a communications and entertainment company with more than 1 million broadband customers in 16 states. Investing more than \$200 million in broadband deployment over the last several years, Windstream now offers approximately 89% of its 3 million voice customers access to quality and affordable broadband service.

The agencies define an "underserved area" as follows: "Underserved area means a proposed funded service area, composed of one or more contiguous census blocks meeting certain criteria that measure the availability of broadband service and the level of advertised broadband speeds. These criteria conform to the two distinct components of the Broadband Infrastructure category of eligible projects- Last Mile and Middle Mile. Specifically, a proposed funded service area may qualify as underserved for

last mile projects if at least one of the following factors is met, though the presumption will be that more than one factor is present: 1. No more than 50 percent of the households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed (set forth in the definition of broadband above); 2. No fixed or mobile broadband service provider advertises broadband transmission speeds of at least three megabits per second (“mbps”) downstream in the proposed funded service area; or 3. The rate of broadband subscribership for the proposed funded service area is 40 percent of households or less. A proposed funded service area may qualify as underserved for Middle Mile projects if one interconnection point terminates in a proposed funded service area that qualifies as unserved or underserved for Last Mile projects.”

**Submitter:** Boycom Cablevision Inc.

**Comment:** Boycom Cablevision Inc. currently offers high speed data services in it's Wappapello system in excess of 3 Mbps Downstream and up to 1 Mbps upstream. Boycom Cablevision Inc. is also a borrower in the RUS Broadband loan program and currently has an upgrade project, Loan # MO1102C, in progress using the RUS loan program funding. The upgrade will cover its Butler county, Wappapello, Puxico, Fisk and Qulin MO service areas. Once completed it will allow high speed data services in excess of 10 Mbps Downstream and 3 Mbps Upstream.