

Broadband USA Applications Database

Applicant Name: State Telephone Company, Inc.

Public Notice Submissions

-----**Service Area:** statetel

Submitter: Mid-Hudson Cablevision, Inc.

Comment: For the past several years, Mid-Hudson Cablevision has been competing vigorously for broadband customers against the DSL product provided by the local incumbent telephone company, State Telephone, Inc. Our competitive market includes the Village of Ravena, NY where both Mid-Hudson and State Telephone currently have the ability to provide high speed broadband to EVERY household and business.

It took decades of private investment for Mid-Hudson to finally compete against State Telephone's legacy network that was built with Federal and State universal service funds. For years, State Telephone operated with a rate-based rate of return-a guaranteed profit-and chose to pay dividends instead of upgrading their network.

Now that the Village of Ravena's broadband market is finally competitive resulting in consumers enjoying cutting edge technologies and prices comparable to major competitive urban markets, State Telephone looks to secure Federal Stimulus funds to build "a more reliable network that will greatly increase our speed to the end user." State Telephone's intent with their application will be to simply upgrade its existing high-speed broadband network but more importantly to deploy video services over the same network using federal broadband stimulus funds to gain a competitive advantage.

In crafting the funding eligibility for broadband projects, Congress and the Federal Government were careful to include protections as not to adversely impact competitive broadband markets. Instead, they correctly tailored funding to unserved and underserved areas where the broadband market has been nonexistent or substandard.

As you know, the NOFA establishes three factors for determining whether a proposed funded service area is indeed an “underserved” market as these would be eligible for funding. Without qualification, State Telephone’s application fails to meet all three factors in the Village of Ravenna:

1. Limited Broadband Access: Not only does Mid-Hudson Cablevision make available the high speed broadband access to EVERY household and business, State Telephone’s network already makes available high speed broadband service to EVERY household and business via its DSL offering.

2. Low Advertised Speeds: Both Mid-Hudson Cablevision and State Telephone advertise their high speed broadband products in numerous media, including 24-hour access to speed and price promotions on their websites.

3. Low Take Up Rates: Even EXCLUDING State Telephone’s existing DSL customers in these areas, Mid-Hudson Cablevision alone provides broadband service to 44% of the Village of Ravenna's households AND businesses.

Since the Village of Ravenna is clearly not “underserved” and State Telephone’s application is simply intent on obtaining government funding to provide them with a competitive advantage, we urge the Federal Government and the RUS to wholly reject the project. Mid-Hudson Cablevision respectfully submits this Public Notice Response for such purpose.

Submitter: Time Warner Cable

Comment: As shown in the attached map and exhibit, TWC currently provides broadband Internet access service in the Proposed Funded Service Area. In addition, we advertise service of speeds above 3 Mbps throughout this service area. We pass over 50% of households, and either (1) have actual broadband subscribership of over 40% of the households in these census blocks or (2) the combined broadband subscribership of the wireline broadband providers (including TWC) in these census blocks is reasonably likely to exceed 40%. Therefore, that portion of the proposed funded service area that overlaps Respondent’s service area reflected in this response is neither “unserved” or “underserved.”

-----**Service Area:** coxsackie

Submitter: Mid-Hudson Cablevision, Inc.

Comment: For the past several years, Mid-Hudson Cablevision has been competing vigorously for broadband customers against the DSL product provided by the local incumbent telephone company, State Telephone, Inc. Our competitive market includes the Village of Coxsackie, NY where both Mid-Hudson and State Telephone currently have the ability to provide high speed broadband to EVERY household and business.

It took decades of private investment for Mid-Hudson to finally compete against State Telephone's legacy network that was built with Federal and State universal service funds. For years, State Telephone operated with a rate-based rate of return-a guaranteed profit-and chose to pay dividends instead of upgrading their network.

Now that the Village of Coxsackie's broadband market is finally competitive resulting in consumers enjoying cutting edge technologies and prices comparable to major competitive urban markets, State Telephone looks to secure Federal Stimulus funds to build "a more reliable network that will greatly increase our speed to the end user." State Telephone's intent with their application will be to simply upgrade its existing high-speed broadband network but more importantly to deploy video services over the same network using federal broadband stimulus funds to gain a competitive advantage.

In crafting the funding eligibility for broadband projects, Congress and the Federal Government were careful to include protections as not to adversely impact competitive broadband markets. Instead, they correctly tailored funding to unserved and underserved areas where the broadband market has been nonexistent or substandard.

As you know, the NOFA establishes three factors for determining whether a proposed funded service area is indeed an "underserved" market as these would be eligible for funding. Without qualification, State Telephone's application fails to meet all three factors in the Village of Coxsackie:

1. Limited Broadband Access: Not only does Mid-Hudson Cablevision make available the high speed broadband access to EVERY household and business, State Telephone's network already makes available high speed broadband service to EVERY household and business via its DSL offering.

2. Low Advertised Speeds: Both Mid-Hudson Cablevision and State Telephone advertise their high speed broadband products in numerous media, including 24-hour access to speed and price promotions on their websites.

3. Low Take Up Rates: Even EXCLUDING State Telephone's existing DSL customers in these areas, Mid-Hudson Cablevision alone provides broadband service to 44% of the Village of Coxsackie's households AND businesses.

Since the Village of Coxsackie is clearly not "underserved" and State Telephone's application is simply intent on obtaining government funding to provide them with a competitive advantage, we urge the Federal Government and the RUS to wholly reject the project. Mid-Hudson Cablevision respectfully submits this Public Notice Response for such purpose.