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: Shidler Telephone Company

Comment: Shidler Telephone Company is an RUS borrower and currently provides broadband access capability to 100% of the households within its service territory. As of June 30, 2009, Shidler provided broadband to over 41% of its residential customers with 44% of those customers subscribing to either an enhanced or premium broadband plan, both of which exceed 768Kbps speed. Shidler's premium broadband service provides downstream speeds of 1.5Mbps. Shidler continues to invest in its broadband network and plans to offer 3Mbps broadband service to its subscribers. Each of Shidler’s broadband internet service offerings are priced competitively as is apparent from Shidler's high subscriber penetration rates. Clearly, the portion of the "PFSA" that encompasses Shidler Telephone Company's serving territory is not unserved or underserved.

-----Service Area: RGN 1 - Texas

Submitter: Cable One, Inc.

Comment: Cable One, Inc. is a multi-system broadband provider operating in 19 states. Cable One offers residential broadband service with speeds up to 10 MB and customizable commercial solutions with flexible bandwidth offerings from 5Mbps to 1 Gbps. By November 1, 2009, the majority of Cable One systems will also be offering 12 Mb residential broadband service with a 20 MB boost. Cable One provides its subscribers with quality service offerings at competitive rates. Cable One expends substantial capital and resources to ensure that customers enjoy the latest technology and the highest standards of customer service, and has made its customers and its communities its first priority.

Please refer to our supporting documentation and comments that establish that Cable One already operates in census tract(s) encompassing or included in Applicant’s Proposed Funded Service Area. The uploaded document includes maps showing census tracts and homes passed for each the applicable systems, current advertisements for residential and commercial broadband offerings, and subscriber data by census tract.
Cable one’s current broadband service offerings are as follows:

**Residential:**
- Economy, Speed (Down/up) - 1.5 Mb/150 kbps, Service Rate - $20.00
- Standard, Speed (Down/up) - 5 Mb/500 kbps, Service Rate - $43.00
- Premium, Speed (Down/up) - 10 Mb/1 Mb, Service Rate - $53.00

**Commercial:**
- Economy, Speed (Down/up) - 5 Mb/1.0 Mb, Service Rate - $69.65
- Standard, Speed (Down/up) - 10.0 Mb/1.0 Mb, Service Rate - $85.95
- Premium, Speed (Down/up) - 12.0 Mb/1.5 Mb, Service Rate - $99.95
- Ultra, Speed (Down/up) - 15.0 Mb/2.0 Mb, Service Rate - $199.95
- Enterprise Plus, Speed (Down/up) - 20.0 Mb/2.5 Mb, Service Rate - $299.95

Discounted bundles and promotional pricing are also available.

**Submitter:** Panhandle Telephone Cooperative, Inc.

**Comment:** Panhandle Telephone Cooperative, Inc. provides comments on this application regarding the underserved designation of the proposed funded area.

**Submitter:** Allegiance Communications

**Comment:** Allegiance Communications (Allegiance) currently provides a wide array of broadband offerings within the proposed funded service area. Allegiance has offered broadband services in excess of the 3 MB bandwidth requirement as set forth in the ARRA, NOFA and BIP/BTOP guidelines, all prior to the ARRA approval. Allegiance’s service area already provides for “sufficient access to broadband service to facilitate rural economic development”, as well as allows for choice of service providers through competing with Local Exchange Carriers, and allows for leasing of services through our own facilities. Allegiance’s opinion of the proposed funded service area is that of excess spending where funds could be better used in other portions of the country to deploy broadband service in accordance
with the ARRA, NOFA and BIP/BTOP programs. Through funding the proposed service area, excessive competition will be created for all, which may create a short term economic boost, but have severe long term ramifications which may force service providers out of business.

**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.”