

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	

ORDER ON RECONSIDERATION

Adopted: March 21, 2014

Released: March 21, 2014

Deadline to Identify New Locations: April 7, 2014

By the Deputy Chief, Wireline Competition Bureau:

1. In this Order on Reconsideration, the Wireline Competition Bureau (Bureau) grants a petition for partial reconsideration filed by Farmers Telephone Company of Riceville, Iowa (Farmers Telephone).¹ As a result, five census blocks previously deemed as unserved in the Connect America Phase I challenge process will now be treated as served.

2. As part of the Phase I challenge process, Farmers Telephone challenged five census blocks elected to by Windstream.² In the *Phase I Challenge Resolution Order*, the Bureau dismissed Farmers Telephone's challenge on the grounds that Farmers Telephone is a rate-of-return carrier.³ The Bureau noted that for census blocks split between the incumbent study areas of a rate-of-return carrier and a price cap carrier, the rate-of-return carrier need not file a challenge in order to prevent overbuilding of the locations in its territory; however, the price cap carrier could still deploy to locations in its portion of the split census block.⁴ Therefore, the Bureau dismissed Farmers Telephone's challenge as moot.⁵

3. Farmers Telephone filed a petition for reconsideration of the *Phase I Challenge Resolution Order*, requesting that the Bureau reconsider its dismissal of Farmers Telephone's challenge.⁶ In its petition, Farmers Telephone clarifies that the broadband service in the disputed blocks is provided throughout the census block, not just within Farmers Telephone's incumbent study area. The portions of the census blocks in Windstream's incumbent study area are served by Farmers Telephone's competitive affiliate, OmniTel.⁷

¹ Petition for Partial Reconsideration of Farmers Telephone Company of Riceville, Iowa and Omnitel Communications, Inc., WC Docket No. 10-90 (filed Feb. 7, 2014) (Farmers Telephone Petition); *see* 47 C.F.R. § 1.106.

² Letter from Ronald J. Laudner, President & CEO, Farmers Telephone, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 (filed Sept. 27, 2013).

³ *Connect America Fund*, WC Docket No. 10-90, Order, 29 FCC Rcd 181, 208, paras. 131-33 (Wireline Comp. Bur. 2014) (*Phase I Challenge Resolution Order*).

⁴ *Id.* at 208, paras. 132-33.

⁵ *Id.* at 208, para. 133.

⁶ Farmers Telephone Petition at 1.

⁷ *Id.* at 3-4.

4. We grant Farmers Telephone's petition for reconsideration.⁸ To the extent that the information contained in Farmers Telephone's petition constitutes facts or arguments not previously presented, we find that consideration of this information is in the public interest.⁹ By considering these facts and granting Farmers Telephone's petition, we will promote the efficient use of universal service funds by ensuring those funds are not used to overbuild existing broadband networks.

5. The information presented justifies reconsideration of the Bureau's prior decision. At the time of the *Phase I Challenge Resolution Order*, the Bureau was unaware that Farmers Telephone's affiliate, OmniTel, served the portions of the disputed census blocks that fell within Windstream's incumbent study area.¹⁰ To deem such census blocks as unserved would be inconsistent with how the Bureau treated similarly situated areas in the *Phase I Challenge Resolution Order*. Therefore, we reconsider the Bureau's prior decision regarding the disputed blocks. The five challenged census blocks will be treated as served for the purposes of Connect America Phase I.

6. Windstream had elected to serve 27 locations in the five disputed census blocks. Phase I incremental support for those locations totaled \$19,800. Windstream may, if it chooses, elect to receive all or a portion of this support by identifying an appropriate number of replacement locations in previously authorized blocks. Windstream is given 15 days from the release of this Order to make such an election and identify new locations.¹¹

ORDERING CLAUSES

7. IT IS ORDERED, pursuant to the authority contained in sections 1, 4(i), 4(j), 5, 214, 254, and 405 of the Communications Act of 1934, as amended, and section 706 of the Telecommunications Act of 1996, 47 U.S.C. §§ 151, 154(i), 154(j), 155, 214, 254, 405, 1302, sections 0.91, 0.291, and 1.106 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.106, and the authority delegated to the Wireline Competition Bureau by the Commission in the *Phase I Order*, 28 FCC Rcd 7766 (2013), that the petition for partial reconsideration filed by the Farmers Telephone Company of Riceville, Iowa, IS GRANTED.

8. IT IS FURTHER ORDERED, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), that this Order on Reconsideration SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Carol E. Matthey
Deputy Chief
Wireline Competition Bureau

⁸ Windstream did not file a response to Farmers Telephone's petition for reconsideration.

⁹ The census blocks at issue are 191315602001019, 191315602001027, 191315602004140, 191315602004141, and 191315602004150.

¹⁰ 47 C.F.R. § 1.106(c)(2).

¹¹ In the event no response is received from Windstream by the end of the 15-day period, it will be presumed that Windstream declines the support.