

March 9, 2012

The Honorable Julius Genachowski, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Genachowski:

We are writing in support of the petition of Allband Communications Cooperative for Waiver of Part 54.302 and the Framework to Limit Reimbursable Capital and Operating Costs.

Allband Communications Cooperative was the first telephone cooperative in the state of Michigan and is organized as a non-profit corporation. The Cooperative began service in 2005 and currently provides 163 lines in the Robbs Creek Exchange, an area previously without any telephone service, including 9-1-1. The Exchange currently comprises 177 square miles of rural, heavily forested land with an average population density of approximately one household or business per mile. It is also one of the most economically distressed areas in Michigan comprising counties with the second, third, and fourth highest unemployment rates in the state. Overall, the area has a 17.5 percent unemployment rate.

In 2005, Allband received a U.S. Department of Agriculture (USDA) Rural Development loan of over \$8 million to construct their fiber to the home network in the Robbs Creek Exchange. Then in 2010, Allband received two USDA Rural Development Broadband Infrastructure Project grants totaling almost \$10 million to expand its fiber optic network to serve 1,828 households and 115 businesses in the communities of Mikado, Curran, Spratt, Flanders, Lachine and Long Rapids. That brought the total federal investment in Allband to almost \$18 million dollars since 2005.

If Allband's petition is denied, it will have a profoundly negative effect on the cooperative. Allband will see a reduction in its Federal Universal Service Fund revenues of \$5,569 per-line annually, an approximately 55 percent reduction in total regulated revenue. Further, this will result in Allband defaulting on its USDA Rural Development loan and the elimination of a critical service for the residents of the Robbs Creek Exchange.

The USDA loan was made based on the existing Universal Service Fund criteria which provided Allband with the cost recovery support required to maintain affordable customer rate levels while deploying the facilities necessary for service. This recovery mechanism was counted by USDA in calculating Allband's ability to repay the loan.

We ask that you give Allband's petition full and fair consideration. We also ask that you give it a prompt review and that you inform our offices of a timeline for its disposition. This response can be directed to the Traverse City offices at the addresses below.

Sincerely,



Carl Levin  
107 Cass Street, Suite E  
Traverse City, MI 49684



Debbie Stabenow  
3335 S. Airport Road West, Suite 6B  
Traverse City, MI 49684

CC: Mr. James J. Turner, State Director  
United States Department of Agriculture, Rural Development