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John Van Eschen
Direct
File No. TO-2023-0436

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of Aristotle*
Witness: *John Van Eschen*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Direct Testimony*
Case No.: *TO-2023-0436*
Date Testimony Prepared: *November 17, 2023*

MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
TELECOMMUNICATIONS DEPARTMENT

DIRECT TESTIMONY
OF
JOHN VAN ESCHEN

ARISTOTLE UNIFIED COMMUNICATIONS, LLC

CASE NO. TO-2023-0436

Jefferson City, Missouri
November 2023

** Denotes Confidential Information **

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JOHN VAN ESCHEN
ARISTOTLE UNIFIED COMMUNICATIONS, LLC
CASE NO. TO-2023-0436**

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1 **DIRECT TESTIMONY**

2 **OF**

3 **JOHN VAN ESCHEN**

4 **ARISTOTLE UNIFIED COMMUNICATIONS, LLC**

5 **CASE NO. TO-2023-0436**

6 Q. By whom are you employed and in what capacity?

7 A. I am employed by the Missouri Public Service Commission (“Commission”
8 or “PSC”) as Regulatory Compliance Manager in the Telecommunications Department.

9 Q. Please describe your educational background and work experience.

10 A. Please refer to the attached Schedule JVE-d1.

11 Q. Have you previously filed testimony before this Commission?

12 A. Yes, I have.

13 Q. Have you participated in the Commission Staff’s annual 54.314 certification
14 review?

15 A. Yes. I have participated in these reviews for many years.

16 Q. Are you the same person who compiled the June 22, 2023 memo attached to
17 Staff’s Motion to initiate this case as well as the September 15, 2023 report filed in this case
18 (attached as Confidential Schedule JVE-d2)?

19 A. Yes.

20 **EXECUTIVE SUMMARY**

21 Q. Please summarize your direct testimony in this proceeding.

22 A. This testimony addresses Aristotle Unified Communications, LLC’s
23 (“Aristotle’s”) funding to expand broadband service in Missouri. Staff takes the position that

1 the company is not using the funding as intended. For example, Aristotle has been receiving
2 this funding since 2019 but to date the company concedes that it has not installed any equipment
3 or facilities in Missouri. The company also has not conducted any advertising in Missouri,
4 as required.¹ Aristotle was not included on Staff’s most-recent list of companies recommended
5 to obtain 54.314 certification and consequently this company will stop receiving this funding
6 on January 1, 2024. A relevant factor Staff has taken into consideration is that Aristotle has
7 expressed it is currently attempting to transfer its funding and broadband deployment
8 obligations in Missouri to another company. This testimony explains Staff’s position in this
9 proceeding.

10 **STATE INVOLVEMENT WITH FEDERAL USF FUNDING**

11 Q. Please describe how state commissions are involved with federal USF funding.

12 A. State commissions are involved in federal USF funding in two ways. One way
13 is state commissions have the authority to designate a company as an eligible
14 telecommunications carrier (ETC). A company needs ETC designation in order to qualify for
15 federal USF funding. ETC status does not mean a company will actually receive federal USF
16 funding but rather ETC status is a necessary requirement to receive it. Conversely, a state
17 commission can revoke ETC status of an existing ETC.

18 A second way state commissions are involved in federal USF funding is the
19 annual 54.314 certification process. This process pertains to ETCs eligible to receive federal
20 USF funding through the high-cost support program. The purpose of the annual 54.314
21 certification process is to certify that a carrier has used and will use federal USF high-cost

¹ This requirement will be discussed later in my testimony but all ETCs are required by FCC rule §54.201(d)(2) to, “Advertise the availability of such services and the charges therefore using media of general distribution.”

1 support as intended by the Telecommunications Act. If a company currently receiving federal
2 USF high-cost support fails to obtain 54.314 certification then the company's federal USF
3 support will cease in the upcoming calendar year.

4 Q. Has the Missouri Commission ever declined to certify a company through the
5 54.314 process?

6 A. Yes. The Missouri Commission did not certify Cass County Telephone
7 Company and New Florence Telephone Company and consequently their federal USF funding
8 ceased in 2005.² As previously stated, the Missouri Commission recently did not include
9 Aristotle in its recommended list of companies to receive 54.314 certification.

10 **ARISTOTLE'S FEDERAL USF FUNDING**

11 Q. Describe Aristotle.

12 A. Aristotle is a privately held fixed wireless provider headquartered in Little Rock,
13 Arkansas. The Company currently operates in and receives funding to expand broadband
14 service in Arkansas, Oklahoma, Mississippi, Illinois and Missouri. Aristotle has 24 employees.

15 Q. Describe the federal USF funding being provided to Aristotle to expand
16 broadband service in Missouri.

17 A. The FCC selected Aristotle as a winning bidder in a competitively bid reverse
18 auction for a portion of federal USF funding referred to as Connect America Fund II Auction.³
19 Aristotle is being awarded \$3,001,540 over ten years to make available 25/3 Mbps fixed

² Case No. TO-2005-0237, An Investigation of the Fiscal and Operational Reliability of Cass County Telephone Company and New Florence Telephone Company, and Related Matters of Illegal Activity.

³ A reverse auction essentially works the opposite of a regular auction in that instead of the highest bid declared the winner a reverse auction will usually declare the lowest bid the winner. The FCC's reverse auction is more complicated in that the FCC attempts to weigh additional factors.

1 wireless broadband service to 788 targeted locations in three southern Missouri counties.⁴

2 Aristotle started receiving the funding in July 2019. Aristotle is required to make broadband
3 available to a certain portion of these targeted locations by the following milestones:

- 4 • 40% of the targeted locations by December 31, 2022.
- 5 • 60% of the targeted locations by December 31, 2023.
- 6 • 80% of the targeted locations by December 31, 2024.
- 7 • 100% of the targeted locations by December 31, 2025.

8 Q. Is a state commission involved in the process to select a winning bidder for
9 Connect America Fund Phase II (“CAF II”) Auction funding?

10 A. No. The FCC is solely responsible for selecting winning bidders. The FCC uses
11 a somewhat complicated process for comparing bids because bids may offer different
12 broadband speeds. In this regard the FCC will attempt to select the best bid. A winning bidder
13 is required to submit to the FCC a long form application containing detailed information about
14 the company and its bid. The FCC can then either approve the release of funding or reject the
15 company’s bid.

16 **INITIAL CONCERNS REGARDING ARISTOTLE’S PROGRESS IN MISSOURI**

17 Q. Has Aristotle installed any equipment or facilities in Missouri?

18 A. No. After over three years of receiving funding Aristotle has yet to install any
19 equipment or facilities in Missouri.

20 Q. Did you expect Aristotle to install equipment or facilities in Missouri?

⁴The three counties are Howell, Oregon and Ozark counties. These counties are located along Missouri’s southern central border with Arkansas.

1 A. Yes. The Company has been annually telling Staff of the need for fourteen
2 towers whereby the Company planned to construct 11 towers and place equipment on 3 towers
3 owned by another party. None of the tower construction has happened to date.

4 Q. Have there been any other concerns about Aristotle's progress in deploying
5 broadband in Missouri?

6 A. Yes. The FCC sent Aristotle a letter on April 7, 2022 expressing concern about
7 the Company reporting zero deployments as of December 31, 2021. Staff also had flagged
8 Aristotle's lack of progress in mid-2022.

9 Q. Is Aristotle claiming to have met the initial broadband deployment milestone of
10 making available broadband service to 40% of the targeted locations by December 31, 2022?

11 A. Yes. Aristotle reported to Universal Service Administrative Company (USAC)
12 that 390 of the 788 targeted Missouri locations can receive Aristotle's broadband service.

13 Q. Did anything seem unusual about Aristotle's claim?

14 A. Yes, three things: (1) The report submitted to USAC indicates broadband
15 service became available to all 390 locations on the last possible day to meet the deadline of
16 December 31, 2022; (2) The Company was unable to explain to Staff its construction progress
17 in terms of how it is able to offer broadband service to these locations; (3) The Company's
18 website failed to indicate broadband service was even available in Missouri until late summer
19 of 2023, despite the Company's report to USAC.

20 Q. Did Staff consult with federal authorities regarding these concerns?

1 A. Yes. Staff contacted the FCC who described how USAC has an audit program
2 designed to investigate a company's claim to have broadband service available.⁵ Technically
3 one of the primary objectives of the audit is to verify if a company can deploy broadband within
4 ten business days to a location where the company declares broadband service is available.
5 Based on this recommendation I reached out to USAC to see if they could conduct an audit of
6 Aristotle. USAC consulted with my FCC contacts and commenced the audit, which remains
7 on-going.

8 Q. Has USAC provided any updates regarding this audit?

9 A. No. USAC has not informed me about their audit or provided any updates.

10 Q. Are there any consequences for ETCs if they fail to meet broadband deployment
11 milestones?

12 A. Yes. FCC rules provide a tiered structure of punitive action against any
13 company should it be determined the company fails to have broadband service available as
14 required by the company's funding.⁶

15 **ARISTOTLE'S BROADBAND SERVICE**

16 Q. Explain how Aristotle is claiming to offer broadband service in Missouri.

17 A. Aristotle is reselling a fixed wireless data service provided by either US Cellular
18 or "ETC No. 2".⁷ Aristotle's role is limited to installing a receiver on the customer's roof to
19 access the signal produced by nearby tower equipment owned by US Cellular or ETC No. 2.

⁵ This audit is referred to by USAC as a Deployment Verification Review. [Deployment Verification Reviews - Universal Service Administrative Company \(usac.org\)](#)

⁶ FCC rule §54.320(d)(1).

⁷ Aristotle wants to transfer its broadband funding and obligations in Missouri to ETC No. 2. ETC No. 2 is an existing ETC that is also receiving funding to expand broadband service in Missouri. The company name of ETC No. 2 is kept anonymous at Aristotle's request.

1 Q. Does Aristotle have any Missouri customers subscribing to its broadband
2 service?

3 A. No. Over eleven months after claiming broadband service is available, the
4 company still does not have any broadband service subscribers in Missouri.

5 Q. Is Aristotle capable of installing service in a timely manner to a Missouri
6 customer?

7 A. I don't know. The company has not had to respond to any requests for service.
8 Aristotle does not have any employees in Missouri. The company will need to either send
9 someone from out of state to install the equipment or hire a third party to install it. To my
10 knowledge the company hasn't yet made arrangements with a third party installer.
11 Nevertheless, the issue of whether Aristotle is capable of installing service in a timely manner
12 will likely be addressed by USAC's audit.

13 Q. Have you recently visited the targeted area?

14 A. Yes. On November 2, 2023, I met with two Aristotle officials in southern
15 Missouri where we tested broadband service at a location in each of the three counties.⁸ We
16 conducted a test to see if Aristotle could produce an acceptable internet service signal at the
17 location. The tests consisted of setting up in a pickup bed a ten-foot tripod with the appropriate
18 receiver typically installed on a customer's roof. A WiFi system was created by connecting a
19 router to the receiver. This arrangement allowed me to connect my wireless phone and run
20 various speed tests.⁹ In general, the service at each of the three locations produced acceptable
21 broadband speeds.

⁸ I met with Rick Hales, Aristotle's Director of Community Partnerships, and Al Fallah, Aristotle's Network Wireless Manager. This trip was the first time they have visited the targeted area.

⁹ Cellular data was turned off on my wireless phone while using three different broadband speed apps: Ookla, Meteor and Opensignal.

1 In addition we met with the CEO of ETC No. 2 at the initial location and also inspected
2 the tower facilities serving this location. American Tower Corporation is the tower's owner
3 and it has a number of companies who have placed equipment on it specifically T-Mobile,
4 AT&T and ETC No. 2. Besides placing equipment on this tower, ETC No. 2 has also made the
5 arrangements and is paying for fiber facilities connecting ETC No. 2's tower equipment to a
6 fiber network.

7 Q. Does Aristotle have any equipment on any towers located in Missouri?

8 A. No. As previously stated, the company has not installed any equipment in
9 Missouri.

10 Q. Has Aristotle purchased any equipment for Missouri?

11 A. The company responded to Staff that it has purchased equipment for Missouri,
12 but this equipment is currently stored in a warehouse in Little Rock, Arkansas and can be used
13 in any of Aristotle's other states.¹⁰

14 Q. How does Aristotle determine if a location has the ability to receive Aristotle's
15 service?

16 A. Aristotle representatives on the November 2nd site visit explained the Company
17 uses a software program in their office in Arkansas to evaluate tower locations, type and other
18 data related to providing service. This software program is somehow able to identify locations
19 within the targeted area that Aristotle might likely be able to obtain service. Staff has requested

¹⁰ Aristotle has yet to seek approval from any government entity to erect a permanent tower in Missouri. (Aristotle's response to Data Request No. 0007.)

1 additional information about this process but it is noteworthy to learn Aristotle performs this
2 task remotely in another state without verification through any on-site testing in Missouri.¹¹

3 Q. Does Aristotle’s service arrangement comply with USF funding requirements?

4 A. In my opinion “no” but the FCC might be best suited to address this issue. FCC
5 rule §54.202(d)(1) states that an eligible telecommunications carrier such as Aristotle must,
6 “Offer the services that are supported by federal universal service support mechanisms under
7 subpart B of this part and section 254(c) of the Act, either using its own facilities or a
8 combination of its own facilities and resale of another carrier’s services...” Consultation with
9 FCC staff indicates the need to examine involved agreements.¹²

10 Q. Why do you have the opinion Aristotle’s service arrangement does not comply
11 with FCC rule §54.202(d)(1)?

12 A. One issue is the lack of written agreements. Aristotle only recently signed a
13 resale agreement with US Cellular on October 12, 2023. Consequently, the Company did not
14 have an agreement with US Cellular prior to this date. Likewise, there appears to be no written
15 agreement between Aristotle and ETC No. 2. Instead there appears to be an understanding
16 between the management of both companies that Aristotle can use ETC No. 2’s facilities at
17 no charge.¹³

18 Q. Should it be a concern for a winning bidder of CAF II funding to solely offer
19 service by reselling another company’s service?

¹¹ Prior to Staff’s site visit the company had not performed any speed tests in Missouri. Data Request No. 0013 asked the company to explain how it tests to confirm broadband speeds in Missouri. The company attached speed tests from its Arkansas network.

¹² Staff forwarded to FCC staff the resale agreement between US Cellular and Aristotle on November 9, 2023.

¹³ Staff Data Request No. 0042 asks for a copy of a written agreement enabling Aristotle to use this company’s facilities in the provisioning of broadband service in Missouri. The deadline for Aristotle to respond is after the date of filing this testimony.

1 A. Yes, but this question can be difficult to answer. Conceptually reselling service
2 is not expanding broadband service to an unserved location. Instead reselling service might, at
3 best, be viewed as expanding broadband service to underserved locations. A significant
4 problem is Aristotle is not advertising in Missouri and doesn't have any customers.
5 Consequently the company is not doing anything with the funding.

6 Q. Do FCC rules require a company to provide service using their own facilities?

7 A. No, but it can be difficult to determine if an arrangement primarily involving the
8 resale of another carrier's service is acceptable. In this instance, Aristotle will be providing the
9 equipment on the customer's roof, which conceptually complies with the previously described
10 FCC rule allowing a company to provide service using "...a combination of its own facilities
11 and resale of another carrier's services..." The FCC should determine if Aristotle's
12 arrangement complies with the FCC's rule. In my opinion it is questionable based on my
13 previously stated concern that the arrangement is allowing Aristotle to not do anything but
14 collect and retain the funding.

15 Q. Do you think there are other considerations to determine the acceptability of
16 Aristotle's sole use of resale to provide broadband service to Missouri locations?

17 A. Perhaps. Aristotle won its funding in Missouri through a competitive bid
18 process. Companies submit bids based on entirely different technologies, broadband speeds
19 and costs making it a difficult job for the FCC to evaluate bids. My sense is Aristotle's original
20 bid proposal planned to construct 11 towers and place equipment on 3 towers owned by other
21 parties. After the award was made Aristotle appears to have decided to provide service using a
22 different plan that didn't involve constructing its own facilities but instead simply involved

1 reselling another company’s service. If so, I do not know how much, if any, discretion might
2 be available to a company to pivot and completely change plans after funding is awarded.

3 **ARISTOTLE’S LACK OF ADVERTISING**

4 Q. Are ETCs required to advertise?

5 A. Yes. FCC rule §54.201(d)(2) requires any ETC to, “Advertise the availability
6 of such services and the charges therefore using media of general distribution.” The basis
7 behind this rule is a company receiving funding to provide service needs to let the public know
8 about the availability of the service.¹⁴

9 Q. What advertising has Aristotle done in Missouri?

10 A. Aristotle has not done any advertising in Missouri.¹⁵ Aristotle’s website only
11 began to suggest internet service might be available in Missouri beginning in August 2023.
12 Aristotle indicates it has not put out signs or used door hangers to announce service availability
13 in Missouri but rather has used “word of mouth” advertising.¹⁶ When asked to clarify such
14 efforts in Missouri Aristotle states, “Word of mouth refers to informing our nearby Arkansas
15 customers and others that we have service in Missouri through our website and newsletter and
16 asking them to let others know.”

17 Q. Should this word of mouth advertising enable the company to comply with the
18 FCC’s rule to advertise the availability of service?

¹⁴ USAC provides some examples and guidance to ETCs for advertising Lifeline service. In brief, this guidance requires a company to advertise the availability of Lifeline program support in a manner reasonably designed to reach eligible households within its study area. [Advertise Lifeline - Universal Service Administrative Company \(usac.org\)](https://www.usac.org)

¹⁵ Aristotle’s August 1, 2023 response in the case file admits Aristotle is not advertising in Missouri.

¹⁶ Aristotle’s Response to Staff Report and Recommendation; Item No. 7 in Case No. TO-2023-0436; September 27, 2023.

1 A. No. It is difficult to see how such an effort complies with the FCC's rule for an
2 ETC to advertise the availability of service. Advertising the availability of service in a state
3 should require conducting some form of advertising targeting potential customers within the
4 state. Unfortunately, Aristotle has not conducted any advertising in Missouri.

5 Q. Why should there be a concern of Aristotle's failure to advertise to Missouri
6 customers?

7 A. Besides violating an FCC rule, Aristotle's lack of advertising has resulted in the
8 Company still searching for its first broadband subscriber in Missouri. It's doubtful anyone in
9 Howell, Oregon or Ozark counties has even heard of Aristotle.¹⁷ The lack of Missouri
10 subscribers combined with Aristotle's sole reliance on resale has allowed Aristotle to avoid
11 installing any equipment in Missouri. In this regard the company is simply collecting the
12 funding and not doing anything with it. Which clearly benefits Aristotle, but I fail to see how
13 it benefits Missouri. Allowing this arrangement to continue tarnishes the integrity of the
14 high-cost program.¹⁸

15 **SECTION 214 TRANSFER PROCESS**

16 Q. You previously mentioned Aristotle wants to transfer its Missouri broadband
17 deployment obligations and funding to another company. How does that process work?

18 A. A company desiring to transfer its funding and broadband deployment
19 obligations is required to file a Section 214 application with the FCC.¹⁹ There is not a timeline

¹⁷ A web search of internet service providers for any area within these counties will not identify Aristotle. On the November 2nd site visit the one homeowner encountered at a location with Aristotle's service available had never heard of Aristotle.

¹⁸ The high-cost program is funded by an assessment applied to a company's revenue. The level of this assessment is significant at over 30%.

¹⁹ FCC Public Notice; Wireline Competition Bureau Lists Best Practices for Addressing Universal Service Fund Information in Section 214 Transfer of Control Applications; DA 22-436; released April 29, 2022.

1 for FCC action but the FCC typically takes at least several months to review the application.
2 The FCC will also provide an opportunity for the public and interested parties to comment.
3 The FCC will then solely decide to either approve or reject the Section 214 application.

4 Q. What happens to Aristotle's CAF II funding if Aristotle is successful in a
5 Section 214 transfer?

6 A. If the FCC approves a Section 214 application then the acquiring company will
7 immediately begin receiving Aristotle's funding. However, currently Aristotle's funding will
8 cease on January 1, 2024, because the PSC did not recertify it through the 54.314 annual
9 certification process. It will likely be sometime in 2024 or later before the FCC receives and
10 approves a Section 214 application for Aristotle's funding in Missouri. At this time it remains
11 unclear if the acquiring company can recover any funding withheld from Aristotle.²⁰

12 Q. Is the ability of the acquiring company to recover Aristotle's withheld funding
13 a concern for Aristotle?

14 A. Yes. This issue is likely the sole reason why Aristotle is requesting a hearing.
15 Aristotle wants to transfer its broadband funding and obligations to another company. Staff
16 assumes that enabling the acquiring company to receive any withheld funding will likely make
17 it easier for Aristotle and the acquiring company to agree on terms for a Section 214 application.

18 **RECOMMENDATION**

19 Q. What recommendation do you have for the Missouri Commission?

20 A. My recommendation is for the Missouri Commission to issue an order indicating
21 the Missouri Commission intends to allow Aristotle's CAF II funding to cease beginning

²⁰ Staff has asked FCC staff for clarification. At the time of filing this testimony Staff has not yet received any clarification.

1 January 1, 2024. If Aristotle is successful in a Section 214 transfer then funding will
2 automatically be started for the acquiring company. If Aristotle is unsuccessful in a Section 214
3 transfer then the Missouri Commission can consider taking subsequent action should it be
4 determined Aristotle should begin to receive funding again.

5 Q. What if the Missouri Commission disagrees with your recommendation and
6 wants funding to continue for Aristotle?

7 A. The Missouri Commission will need to issue written correspondence to USAC
8 and the FCC adding Aristotle to the list of companies receiving 54.314 certification. This
9 correspondence will likely need to contain similar wording as the Commission's September 21,
10 2023 letter attached as Schedule JVE-d3.

11 Q. Should Aristotle maintain its ETC status?

12 A. Yes. Aristotle continues to maintain its ETC status and at this time it is
13 premature to recommend the company's ETC status be revoked. Should Aristotle be
14 unsuccessful in a Section 214 transfer then Aristotle continues to be responsible for meeting
15 broadband deployment obligations. The company's ETC status will be important to retain if
16 there is subsequent interest to restore funding to Aristotle.

17 Q. Does this conclude your prepared direct testimony in this proceeding?

18 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Investigation of)
Aristotle Unified Communications, LLC)
Related to the Connect American Fund) Case No. TO-2023-0436
Phase II Auction)

AFFIDAVIT OF JOHN VAN ESCHEN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JOHN VAN ESCHEN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of John Van Eschen*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

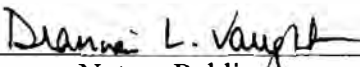


JOHN VAN ESCHEN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 16th day of November 2023.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377



Notary Public

John Van Eschen

Education and Employment Background

Education: Master of Arts Degree in Economics from Kansas State University.

Employment: I have been employed as a Regulatory Compliance Manager in the Telecommunications Department of the Missouri Public Service Commission since 1995. I held the positions of Economist and Assistant Manager within the Commission's Telecommunications Department since beginning my employment in 1984. I have been involved in most telecommunications matters before the Missouri Commission. Some of the more relevant experience for this proceeding include:

Eligible Telecommunications Carrier Investigations/Complaints:

Case No. LO-2019-0154; In the Matter of an Investigation to Review the Lifeline Program Practices of American Broadband and Telecommunications Company d/b/a American Assistance.

Case No. RC-2016-0278: In the Matter of the Revocation of the Eligible Telecommunications Carrier Designation of Total Call Mobile.

Case No. TO-2016-0184: In the Matter of an Investigation in which to Gather Information about the Facility Extension Practices of ETCs Eligible to Receive High Cost USF Support.

Case No. TC-2005-0357: Staff of the Public Service Commission of the State of Missouri v. Cass County Telephone Company Limited Partnership and Local Exchange Company LLC.

Universal Service Funding:

Case No. TO-98-329: In the Matter of an Investigation into Various Issues Related to the Missouri Universal Service Fund. *This case developed a proposal establishing this fund.*

Case No. TO-2019-0346: In the Matter of Proposed Modifications to the Missouri Universal Service Fund. *This case suspended the MoUSF assessment and significantly increased MoUSF support amounts.*

WC Docket No. 05-337 et al: In the Matter of High-Cost Universal Service Support. *Missouri PSC Comments to the FCC addressing issues relating to cost standard for determining terminating traffic cost and the associated rate for terminating traffic.* November 2008.

WC Docket No. 05-337 et al: In the Matter of High-Cost Universal Support. *Missouri PSC Comments to the FCC addressing issues relating to federal high-cost support provided to competitive ETCs ("identical support" rule).* April 2008.

WC Docket No. 05-337 et al: In the Matter of High-Cost Universal Support. *Missouri PSC Comments to the FCC addressing reforms for the high-cost USF program.* April 2008.

WC Docket No. 10-90 et al: In the Matter of Connect America Fund. *Missouri PSC Comments to the FCC addressing issues relating to public interest obligations, broadband deployment milestones, state's role, obligations to impose on recipients, and intercarrier compensation reform.* August 2011.

WC Docket No. 10-90 et al: In the Matter of Connect America Fund. *Missouri PSC Comments to the FCC relating to general principles and priorities for reforming the federal USF including ETC designation and ETC requirements.* April 2011.

WC Docket No. 11-42 et al: In the Matter of Lifeline and Link Up Reform and Modernization. *Missouri PSC Comments to the FCC addressing phasing-out federal Lifeline funding for voice service.* July 2019.

WC Docket No. 11-42 et al: In the Matter of Lifeline and Link Up Reform and Modernization. *Missouri PSC Comments to the FCC responding to a variety issues relating to Lifeline USF funding.* 2015.

WC Docket No. 96-45 et al: In the Matter of Federal-State Joint Board on Universal Service. *Missouri PSC Comments to the FCC addressing topics relevant to the Lifeline program.* July 2010.

WC Docket No. 11-42 et al: In the Matter of Lifeline and Link Up Reform and Modernization. *Missouri PSC Comments to the FCC supporting US Telecom's petition and providing relevant Missouri Lifeline information to the FCC.* October 2016.

WC Docket No. 17-287 et al: In the Matter of Bridging the Digital Divide for Low-Income Consumers. *Missouri PSC Comments to the FCC supporting TracFone's "units" proposal and offer to conduct a market test.* August 2018.

Rulemakings:

Rulemakings relating to this proceeding are rules regarding ETC application requirements, ETC requirements and Missouri USF currently contained in 20 CSR 4240-31 whereby I or my team under my supervision have been involved with drafting proposed rules and submitting comments to the Missouri Commission.

Case No. TX-2018-0120: In the Matter of the Revisions of the Commission's Rules Regarding Telecommunications. *This rulemaking streamlined and consolidated rules in response to the Governor's Executive Order 17-03.* Rules went into effect December 30, 2018.

Case No. TW-2017-0078: In the Matter of Staff's Review of the Commission's Chapter 31 Rules. *This case was a working docket used to address a variety of Missouri USF issues including whether to allow Missouri USF support for a broadband-only Lifeline or Disabled program service.*

Case No. TX-2013-0324: In the Matter of a Proposed Rulemaking Regarding the Missouri Universal Service Fund. *Incorporates all rules relating to ETC designation, ETC requirements and the Missouri USF into one chapter.* The new rules went into effect April 30, 2014.

Case No. TX-2008-0007: In the Matter of a Proposed Rulemaking to Amend 4 CSR 240-3.570, Requirements for Carrier Designation as Eligible Telecommunications Carriers.

Case No. TX-2006-0169: In the Matter of Proposed New Rule 4 CSR 240-3.570 Regarding Eligible Telecommunications Carrier Designations for Receipt of Federal Universal Service Fund Support. *Established rules relating to ETC applications requirements and annual certification requirements.*

Case No. TO-2002-347: In the Matter of the Investigation into Certification for Federal Universal Service Funds. *This case established procedures for requesting annual certification for federal universal service funding.*

STAFF MEMORANDUM

To: Case File
Case No. TO-2023-0436

From: John Van Eschen, Regulatory Compliance Manager

Date: September 15, 2023

Subject: Report

Summary

The Missouri Public Service Commission Staff (Staff) filed a motion to investigate Aristotle Unified Communications' (Aristotle, Company or AUC) compliance with Connect America Fund II Auction funding broadband deployment obligations. Aristotle was directed by the Missouri Commission to respond to six questions and it filed responses on August 1, 2023. Overall Aristotle is making false statements and has not expanded broadband service in Missouri as claimed. Consequently, Staff recommends Aristotle not be included in this year's 54.314 certification so that its universal service funding stops January 1, 2024.

Background

Aristotle, through funding from the federal universal service fund, is annually receiving \$300,154 over a ten-year period (for a grand total of \$3,001,540) to deploy broadband service in three counties (Ozark, Howell and Oregon counties) along Missouri's south central border. Aristotle started receiving the funding in July 2019 after winning a special competitive bidding process.¹ The Company's winning bid is to deploy 25/3 Mbps broadband service using a fixed wireless technology to 788 targeted locations by December 31, 2025.²

Companies receiving federal USF funding to expand broadband service are required to report broadband deployments to the Universal Service Administrative Company (USAC) who administers the federal universal service fund. Winning bidders for funding are given some flexibility the first few years but required milestones start kicking-in the third year of funding. Aristotle's first required milestone was to make broadband service available to 40% of its targeted locations, which equates to 316 locations by December 31, 2022.

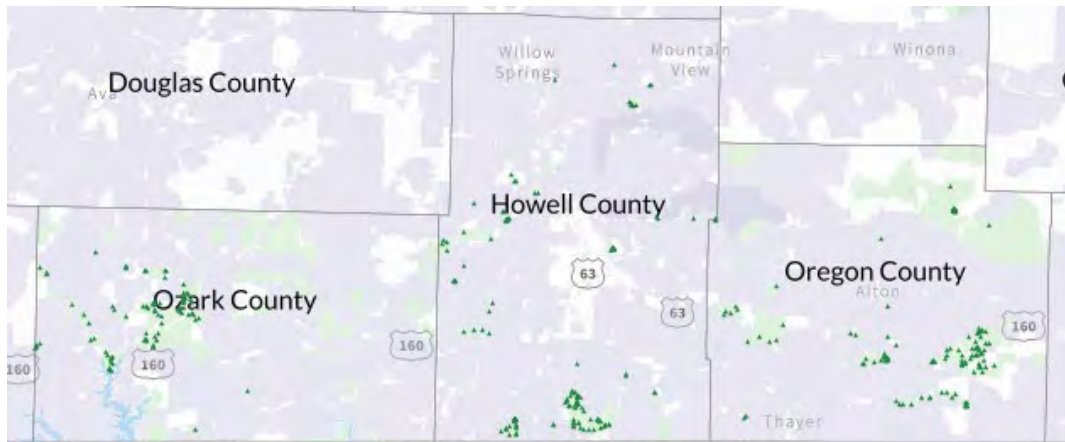
Aristotle was flagged by Staff and the FCC over a year ago for its lack of progress and failure to report any deployments the first two years. Staff flagged the information sheet

¹ The funding is Connect America Fund Phase II Auction funding which is a part of the federal universal service fund. For more information see [CAF Phase II Auction - Universal Service Administrative Company \(usac.org\)](https://www.usac.org/CAF-Phase-II-Auction)

² 25/3 Mbps (megabits per second) refers to the speed of the broadband service. In this instance 25 Mbps is the speed for downloading information from the internet while 3 Mbps is the speed for uploading information to the internet. The FCC has established 25/3 Mbps as the minimum speed for CAF II Auction funding.

maintained about the company last year.³ The FCC sent Aristotle a letter on April 7, 2022 expressing concern about Aristotle’s ability to meet its first upcoming required milestone.⁴ The FCC asked Aristotle to provide a response. The Company’s response reiterated information previously supplied to Missouri Staff for its information sheets. This information is a need for 14 towers of which the Company would have to construct 11 new towers and use three existing towers for co-location. Aristotle indicated in its response to the FCC on May 9, 2022, “...co-locations are underway and Aristotle has been engaged in site acquisition for the build locations. Site acquisition should be completed within 30 days....” The FCC’s letter and AUC’s response are provided in Attachments A and B, respectively.

In order to receive federal USF funding a company must be designated by a state commission as an Eligible Telecommunications Carrier (ETC).⁵ In turn, any ETC eligible for high-cost support must be annually certified by a state commission per FCC rule 54.314. ETCs receiving high-cost support for expanding broadband service were required to report to USAC by March 1, 2023 their broadband deployment locations made by December 31, 2022. Aristotle reported the deployment of broadband to 390 locations as reflected on the Connect America Fund Broadband map below:



Note: Green areas reflect targeted areas and green dots reflect broadband deployment locations reported by Aristotle on the Connect America Fund Broadband map maintained by USAC.

All 390 locations were reported as being installed on the same day, December 31, 2022, and have addresses from 18 cities within the 3 counties:

³ Information sheets are annually maintained for all companies receiving high-cost support. The information sheets contain a variety of information about the company including its broadband deployment progress. Information sheets are listed for last year (2021) and this year (2022).

⁴ The letter expresses concern about the company’s lack of progress in Missouri but also for two other states where Aristotle is being awarded the same type of funding (Mississippi and Oklahoma).

⁵ State commission ETC designation is described in Section 214(e)(2) of federal statutes. ETC application requirements are identified in Missouri PSC rule 20 CSR 4240-31.016.

Howell County		Oregon County		Ozark County	
City	Locations	City	Locations	City	Locations
Caulfield	1	Alton	89	Gainesville	32
Moody	25	Couch	41	Isabella	2
Mountain View	9	Koshkonong	8	Noble	9
Peace Valley	4	Myrtle	10	Theodosia	4
Pomona	14	Thayer	11	Thornfield	41
Pottersville	11	Total	159	Total	88
West Plains	77				
Willow Springs	2				
Total	143				

Staff is not convinced Aristotle has successfully extended broadband service to these locations. The Company has a constantly changing explanation of how it has brought broadband service to these locations. Specifically, Aristotle is not being truthful about securing towers. This report explains Staff’s concerns which include:

- Aristotle’s repeated failure to accurately explain tower progress,
- Aristotle’s inability to adequately explain how funding is being used,
- Aristotle’s failure to disclose lobbying efforts for broadband deployment relief, and
- Aristotle is not complying with ETC requirements to advertise the availability of service.

Staff has also corresponded with FCC staff and USAC whereby USAC has initiated an audit of the Company. Aristotle is trying to transfer its broadband funding and obligations to another company and that process will be briefly discussed.

Aristotle’s repeated Failure to Accurately Explain Tower Progress

Aristotle uses a fixed wireless technology and consequently has a need for towers to expand broadband service. As previously pointed out the Company stated a need for 14 towers on the company’s information sheet. Aristotle submitted its latest updates to the information sheet on June 1, 2023. This updated information sheet indicates a need for 14 towers but did not reflect what progress had been made. Staff attempted to find out through email and a June 9, 2023 phone call with Aristotle but the Company was unable to explain their tower progress.

Staff filed a motion to investigate Aristotle on June 22, 2023. On July 12, 2023, the Commission opened the case and directed Aristotle to fully explain the company’s broadband progress including the identification of specific towers, locations and date of installation. The Company filed a response on August 1, 2023 listing a total of 41 tower locations and claiming the company installed 22 towers. The claim of installing 22 towers consists of 10 temporary towers and the placement of equipment on 12 towers owned by another party. The response indicates all 22 towers were installed on the same day of December 31, 2022. AUC’s August 1, 2023 filing

contained conflicting and confusing information so Staff submitted several data requests to the company.

Aristotle subsequently admitted through data request responses that the tower information provided in the August 1, 2023 filing is incorrect. The Company should have reported deploying 14 towers rather than 22 towers. Aristotle provided a revised spreadsheet listing tower locations that have been activated and towers under consideration. In review of Aristotle's data request responses and revised spreadsheet, conflicting and confusing information remains. For example, Aristotle claims to have initiated the use of 14 towers but the spreadsheet identifies 16 towers with an install date of December 31, 2022. Likewise AUC's spreadsheet attempts to list all potential tower sites under consideration but AUC states "...the attached spreadsheet lists 46 locations...." but the spreadsheet actually lists 44 locations. In attempting to explain what facilities Aristotle installed on towers owned by another party, Aristotle identifies a tower, which according to the spreadsheet, is not yet built and will only be used as a backup location.⁶ The Company's continued inability to clearly define and explain the locations of towers that it owns and/or leases where it has installed the technology is troubling and inexcusable. Any company receiving funding to expand broadband service should be able to easily and fully explain its progress.

The 14 towers that Aristotle claims to be using to serve the 390 locations as of December 31, 2022 are all towers owned by US Cellular. Moreover, Aristotle did not place any equipment on these towers. Instead, Aristotle states, "Aristotle is utilizing pre-existing equipment on this tower belonging to U.S. Cellular to provide a minimum of 25/3 service to the locations under coverage of the tower...."⁷ Aristotle also claims to have deployed or is in the process of deploying four towers since January 1, 2023. Two towers are owned by other parties but two other towers are temporary towers. Aristotle is claiming the two temporary towers have already expanded broadband service to 35 and 46 locations; however, Aristotle's spreadsheet identifies an install date of "projected 12/31/2023". Curiously the spreadsheet provides the address for all active towers with the exception of the two temporary towers. U.S. Cellular is the owner of one of the two towers owned by other parties. In this regard, Aristotle is claiming using 15 towers owned by U.S. Cellular.

Staff's Data Request No. 5 specifically asks Aristotle to provide evidence of an agreement for use of any tower owned by another party. Aristotle ignored this portion of the request and did not provide any evidence of an agreement. Nevertheless Staff contacted officials with U.S. Cellular about Aristotle's claim of using 15 of its towers located in southern Missouri. Staff provided U.S. Cellular officials the FCC ID numbers and locations for the 15 towers. U.S. Cellular

⁶ The tower is identified as "MO_OZAR_08" and this tower is described in Data Request 5. Staff assumes the company's data request response should be referring to the tower labeled as "MO_OZAR_07" on the revised spreadsheet.

⁷ Response to Data Request No. 5. AUS provides this same wording for all 14 towers. Such an arrangement seems unusual in the sense AUS is claiming to be using these towers but did not install any facilities on them.

researched Staff's inquiry and responded, "Our tower team dug into this. We do not have any collocators on any of these towers, and one is a tower we actually lease...." Staff concludes Aristotle is not using these towers and consequently did not expand broadband service to any locations by December 31, 2022, as required.

Aristotle appears primarily focused on simply transferring its broadband funding and deployment obligations to another company rather than securing towers to meet its obligations. For example, the company has not sought approval with any government entity to erect a permanent tower.⁸ Although Staff believes Aristotle has secured few, if any, towers in Missouri, Aristotle is indicating the new company will likely use different towers. For example Aristotle states, "...AUC has put off some additional deployments to prevent wasteful duplicative installations..." and "...the new company has indicated that there are different and/or additional tower locations they prefer, meaning that some of the sites identified by AUD either will not be deployed or will be decommissioned...."⁹

Inability to Adequately Explain How Funding is Being Used

Aristotle has not clearly explained how funding is being used. For example AUC provided the following statement in updating its most recent information sheet, "Aristotle paid legal and financial costs related to the long-form application and maintaining ETC status in Missouri. The remaining money was set aside and is being used for network deployment." When pressed through data requests to quantify and further explain how Aristotle used its high-cost support for the prior calendar year Aristotle simply provided the following information without any additional explanation:¹⁰

- Long-form application - \$20,522.71.
- Maintaining ETC status in Missouri - \$33,060.83.
- Network deployment - \$308,842.26

These expenses do not make sense. The long-form application is a filing that winning bidders submit to the FCC to help the FCC determine whether to authorize funding to the company which for Aristotle occurred prior to July 2019. Likewise Staff doesn't understand what expenses are generated under "maintaining ETC status in Missouri." Aristotle's network deployment expenses do not make sense if Aristotle's network deployment consists of using U.S. Cellular towers and equipment, but according to U.S. Cellular there is no agreement with the company.

⁸ Response to Data Request No. 7.

⁹ Response to Question 1 in Aristotle's August 1, 2023 filing in this case. Question 1 is "Fully explain the company's broadband deployment progress, to date, in Missouri."

¹⁰ Response to Data Request No. 14.

Aristotle’s Failure to Disclose Lobbying Efforts for Broadband Deployment Relief

Another troubling issue is Aristotle’s failure to disclose communications with the FCC about its ability or inability to meet its broadband deployment obligations. Aristotle denies having any such communications.¹¹ Perhaps it is an inadvertent oversight on Aristotle’s behalf to fail to identify the previously described May 9, 2022, letter to the FCC responding to the FCC’s April 7, 2022, letter of concern. Despite this oversight, Aristotle also did not reveal its repeated attempts to lobby the FCC to provide relief. The FCC’s official record has at least four notices of ex parte presentations/communications in 2023 involving Aristotle. These ex parte notices discuss how construction costs have skyrocketed and are seeking the FCC to consider such help as supplementary funding and/or an amnesty window. Attachment C contains copies of this correspondence.¹²

Requirements Placed on ETCs Receiving Federal USF Support

Certain requirements are placed on any ETC receiving federal USF support to expand broadband service. Specifically an ETC is allowed to report a location towards meeting its broadband deployment obligations “...if the carrier provides it to a location or could provide it within ten (10) business days upon request...”¹³ Likewise an ETC must, “Advertise the availability of such services and the charges therefore using media of general distribution”¹⁴ and “Publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.”¹⁵

Aristotle is Not Advertising Service Availability

Aristotle is not complying with any advertising requirements. Aristotle admits to not conducting any advertising to Missouri consumers by stating, “...AUC is currently able to provide service to some Missouri consumers but is not advertising for the reasons stated above...”¹⁶ Aristotle’s rationale for not advertising is that essentially another company is expected to take-over Aristotle’s funding obligations and this other company uses a different technology.

Although Staff questions if Aristotle has any capability to actually provide broadband service in Missouri, Aristotle does not appear to want a Missouri consumer to apply for service.

¹¹ Response to Data Request No. 30. This data request asks, “Please provide any documentation or correspondence since January 1, 2022 between the company and the FCC regarding the company’s ability or inability to meet its broadband deployment obligations.”

¹² Ex Parte letters are filed with the FCC in WC Docket No. 10-90. Aristotle is part of a coalition represented by the Klein Law Group. Three such letters are dated July 31, 2023; July 14, 2023; and June 20, 2023. Aristotle also filed an ex parte on March 6, 2023 with TekWav and AW Broadband.

¹³ FCC Public Notice “Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding their Broadband Location Reporting Obligations” DA 16-1363; WC Docket No. 10-90; released December 8, 2016; page 4.

¹⁴ FCC rule § 54.201(d)(2).

¹⁵ FCC rule § 54.405(b).

¹⁶ Company’s response to Question No. 5 as filed in its August 1, 2023 filing in this case.

As previously indicated, the Company has not advertised or made any indication service is available. More specifically the Company has not provided any information to consumers at the 390 locations where the Company claims to have service available and only recently has the Company's website been updated to suggest service may be available in Missouri. Aristotle has no employees or equipment in Missouri that is needed to install service to a customer. Instead AUC claims it will handle service requests from Missouri consumers by dispatching employees and equipment out of Little Rock, Arkansas.¹⁷ Aristotle has also not yet attempted to confirm broadband speeds for Missouri locations.¹⁸

Staff Interaction with FCC and USAC

Staff has reached out to the FCC and USAC staff about Aristotle. FCC staff discussed how USAC can conduct an audit referred to as a Deployment Verification Review that helps determine if a company is compliant.¹⁹ Staff contacted USAC about conducting such an audit who in turn indicated it will consult with FCC staff on how best to proceed. At this time, Staff has not heard further from USAC but according to AUC's recent data request responses, USAC has initiated the audit. Staff anticipates USAC's audit will eventually determine if Aristotle's location reporting complies with program requirements. Staff expects USAC's audit will find Aristotle is not compliant and if so then the FCC will likely initiate action against Aristotle following guidelines identified in FCC rules.²⁰

Aristotle provided to Missouri Staff a copy of its recent confidential responses to USAC's initial audit inquiry. In Staff's view, this audit may have triggered Aristotle to update its website to reflect broadband service availability in Missouri. Aristotle's website failed to reflect any such availability as late as August 2023. The Company's updated website simply indicates service may be available in three counties and does not reflect the specific Missouri towns as the company's website does for Arkansas. AUC's response to USAC includes generic flyers about service availability that could be used in any of Aristotle's states; however, Staff is unaware that any of the supplied flyers were used in Missouri.

Transferring Broadband Funding Obligations to another Company

Aristotle's August 1, 2023 response states AUC has signed an agreement with a company to transfer its broadband funding and obligations with an expected transfer date of 90 to 120 days from August 1st.²¹ The FCC has a process commonly referred to as "Section 214" for transferring

¹⁷ According to company officials, Aristotle will need to install an antenna and radio on the consumer's roof and provide a router for use inside the home that is connected by Ethernet to the radio on the roof.

¹⁸ Company's response to Data Request No. 13, which states the company has not done broadband speed testing for Missouri locations because it does not yet have active customers.

¹⁹ [Deployment Verification Reviews - Universal Service Administrative Company \(usac.org\)](https://www.usac.org/Deployment-Verification-Reviews-Universal-Service-Administrative-Company)

²⁰ FCC rule §54.320 Compliance and Recordkeeping for the High Cost Program.

²¹ AUC indicates the company accepting the transfer was awarded over \$100 million in CAFII auction funding to deploy broadband to 60,000+ location in Missouri.

broadband funding and associated deployment obligations.²² The time frame for the FCC to review a Section 214 application is at least several months and Aristotle agrees FCC approval may take as long as six months. According to FCC staff, the general public and outside parties will be given an opportunity to submit comments before a decision is reached to approve or not approve the proposed transfer. In turn, the new company will likely need to apply with the Missouri Commission to expand its ETC area to include the area affected by the Section 214 application. Aristotle does not have a specific date of when they hope the transfer will be complete. Staff asked for a copy of the signed agreement and the Company obliged but provided a copy solely signed by Aristotle.²³ Consequently, it remains unclear if Aristotle truly has a signed agreement to transfer its broadband funding obligations to another company.

In general, once the transfer is approved, the new company will immediately be responsible for meeting all future broadband deployment obligations.²⁴ The next broadband deployment obligation is December 31, 2023, whereby 60% of locations targeted by CAF II funding must have broadband service available. In Aristotle's case, this means expanding broadband to a total 473 locations which is 83 locations more than the 390 locations claimed by the company at the end of 2022. Although Staff remains skeptical, Aristotle claims to have deployed broadband service to an additional 121 locations bringing their current total to 511 locations.²⁵

Recommendation

The only issue for the Missouri Commission to decide is whether to include Aristotle in the upcoming 54.314 certification. FCC rule 54.314 states:

Certification. States that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Administrator and the Commission stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. High-cost support shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.

This annual certification is due by October 2, 2023. Failure to obtain certification will stop a company's high cost support on January 1, 2024. For Aristotle this amount is \$300,154 per year. If Aristotle is successful in transferring its broadband funding and obligations to another company

²² FCC Public Notice; Wireline Competition Bureau Lists Best Practices for Addressing Universal Service Fund Information in Section 214 Transfer of Control Applications; DA 22-436; released April 19, 2022.

²³ Company response to Staff Data Request No. 28.

²⁴ According to FCC staff the new company could seek a waiver and try to seek some sort of relief from the requirement to immediately comply with broadband deployment obligations: however, such requests are rare and not guaranteed to be granted.

²⁵ Company response to Staff Data Request No. 4. These additional locations appear to be served by four towers Aristotle has deployed or is in the process of deploying. One of the towers is a U.S. Cellular tower which is obviously false for reasons cited earlier in this report.

then the new company will immediately begin to receive Aristotle's CAF II funding regardless of whether Aristotle receives 54.314 certification from the Missouri Commission. In other words, if the Missouri Commission does not certify Aristotle then Aristotle's CAF II funding ceases on January 1, 2024, and will not resume until the Section 214 application is approved.

Staff recommends the Missouri Commission not certify Aristotle for reasons cited in this report. In addition, Staff recommends the Commission authorize the release of all case documentation, including data request responses and Aristotle's confidential company information sheets to the FCC and USAC officials.

Attachment A: April 7, 2022 letter from FCC to Aristotle expressing concern.

Attachment B: May 9, 2022 letter from Aristotle's response to the FCC.

Attachment C: Four ex parte letters filed with FCC in 2023 seeking deployment relief.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Investigation of)
Aristotle Unified Communications, LLC) File No. TO-2023-0436
Related to the Connect America Fund)
Phase II Auction)

AFFIDAVIT OF JOHN VAN ESCHEN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JOHN VAN ESCHEN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

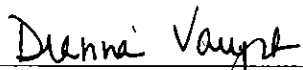


JOHN VAN ESCHEN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 15th day of September, 2023.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377



Notary Public



Federal Communications Commission
Washington, D.C. 20554

April 7, 2022

Ms. Jill Schumacher
Aristotle Unified Communications
2100 Broadway St
Little Rock, AR 72206
jschumacher@aristotle.net

Dear Jill Schumacher:

As a recipient of Connect America Fund Phase II (CAF II) Auction support, Aristotle Unified Communications is required to deploy broadband service to at least 40% of the total required locations for which you receive auction funding by December 31, 2022.¹

For your filing due by March 1, 2022, reflecting broadband location deployment as of December 31, 2021, you certified in the USAC High Cost Universal Broadband (HUBB) portal to deploying to zero locations in the following SAC(s), 289037 (MS), 429044 (MO), 439076 (OK), for which you have been authorized to receive CAF II Auction funding. We note that support recipients are not required to wait until the end of a specific support year to meet their deployment milestones, recipients may request that USAC complete their verification process at any time, and that we encourage reporting of deployment data on an ongoing basis.²

Accordingly, we are concerned about your ability to meet the first required milestone in light of the remaining time this year for reaching compliance. As part of monitoring compliance with the program's obligations, we require that you explain how you will meet your initial deployment commitment.³ Specifically, please provide us with a description of the areas and the number of locations you have deployed to in these SACs since December 31, 2021, and explain the efforts you will take between now and December 31, 2022 to reach the 40% milestone applicable to your authorized areas.

You are directed to file your response within 30 calendar days of the date of the letter in WC Docket No. 10-90 and AU Docket 17-182 through the Commission's Electronic Comment Filing System (ECFS).⁴ Commission staff will review your response to determine if additional information requests, verification, and/or an audit is appropriate. Finally, we remind you that failing to satisfy high-cost program deployment obligations will result in withholding and/or recovery of support.⁵

¹ 47 CFR § 54.310(c); see *Connect America Fund, Connect America Fund Phase II Auction*, WC Docket Nos. 10-90, 17-187, Order, 35 FCC Rcd 109, 109, para. 1 (WCB 2020).

² See *Connect America Fund et al*, WC Docket No. 10-90 et al, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 6011 (2016), para. 173 n.156 ("[I]t would be a 'best practice' to submit location information 'no later than 30 days after service is initially offered to locations in satisfaction of deployment obligations.'"); see also *Rural Digital Opportunity Fund Order*, 35 FCC Rcd at 712, para. 56 n.156 (encouraging filing deployment data on a rolling basis).

³ See 47 CFR § 54.320.

⁴ If your response will include business confidential information, contact staff in advance regarding the process for submitting this information.

⁵ See 47 CFR § 54.320(d).

Please contact Jesse Jachman (jesse.jachman@fcc.gov) Assistant Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau, with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Trent B. Harkrader". The signature is stylized with a large initial "T" and a cursive "Harkrader".

Trent B. Harkrader
Chief
Wireline Competition Bureau

ATTACHMENT B
HAS BEEN DEEMED
CONFIDENTIAL
IN ITS ENTIRETY

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July 31, 2023

VIA ECFS

Ms. Marlene Dortch
Secretary
Federal Communications Commission
45 L Street, NE
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation
Rural Digital Opportunity Fund Auction (Auction 904), AU Docket No. 20-34;
Rural Digital Opportunity Fund, WC Docket No. 19-126; and
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this letter provides notice that on July 27, 2023, Philip Macres and Gary Gallant of the Klein Law Group, PLLC on behalf of the Coalition of RDOF Winners ("Coalition"), along with Elizabeth Bowles, President and CEO of Aristotle Unified Communications, LLC ("Aristotle") (who is, among others, a member of the Coalition) had a meeting via Teams with Lauren Garry, Legal Advisor, and Greg Watson, Policy Advisor, to Commissioner Carr concerning the above-referenced proceedings.

During this meeting, the Coalition's June 20, 2023 Notice of *Ex Parte* Meeting Letter¹ (especially Attachment 2 to this letter) and the Coalition's July 14, 2023 Notice of *Ex Parte* Meeting Letter² along with the Chairwoman's June 26, 2023 Letters to Honorable Roger F. Wicker

¹ See Letter from Philip Macres, Counsel to the Coalition of RDOF Winners, to Marlene H. Dortch, Secretary, FCC (filed June 20, 2023) ("Coalition's June 20, 2023 Notice of *Ex Parte* Meeting Letter"), available at <https://www.fcc.gov/ecfs/document/1062096825996/1>.

² See Letter from Philip Macres, Counsel to the Coalition of RDOF Winners, to Marlene H. Dortch, Secretary, FCC (filed July 14, 2023) ("Coalition's July 14, 2023 Notice of *Ex Parte* Meeting Letter"), available at <https://www.fcc.gov/ecfs/document/1071492177981/1>.

*et al.*³ were discussed.

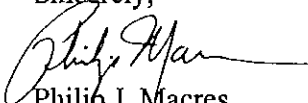
The meeting's focus was on various forms of relief the Commission could conceivably make available, via its own motion or a petition for relief and/or waiver, to address the massive and unprecedented increases in broadband deployment construction costs RDOF winners are facing—that could never have been anticipated at the time RDOF winners placed reverse bids during the RDOF auction, which include providing:

- (a) Supplementary funding to RDOF winners that have affirmatively requested such funding;
- (b) A short “amnesty window” that allows RDOF winners to relinquish all or part of their RDOF winning areas without forfeitures or other penalties if the Commission chooses not to make supplemental funds available or if the amount of supplemental funds the Commission does make available does not cover an RDOF Winner’s costs that exceed reasonable inflation, so that such unserved areas are included in the BEAD program;
- (c) RDOF payments in years 7-10 in earlier years;
- (d) An extra year of funding;
- (e) Relief from all, or certain aspects of, the letter of credit requirements on an expedited basis; and/or
- (f) Realignment of RDOF support provided to an RDOF winner that relinquishes certain areas pursuant to an amnesty window, so that RDOF funding in such areas is redirected to RDOF areas that the RDOF winner keeps so as to offset the significant broadband deployment construction cost increases in such areas.

While not discussed in detail during the meeting, other forms of relief could include making low-interest loans available to RDOF winners, among other things.

If you have questions or need additional information, please let me know.

Sincerely,



Philip J. Macres

Counsel for the Coalition of RDOF Winners

cc: Lauren Garry (all via email)
Greg Watson

³ See Letters from the Honorable Jessica Rosenworcel, Chairwoman, FCC to the Honorable Roger F. Wicker, Hyde-Smith, and Vance, United States Senators (dated June 26, 2023) (“Chairwoman’s June 26, 2023 Letters to Honorable Roger F. Wicker *et al.*”), available at <https://docs.fcc.gov/public/attachments/DOC-395063A2.pdf>.

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July 14, 2023

VIA ECFS

Ms. Marlene Dortch
Secretary
Federal Communications Commission
45 L Street, NE
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation
Rural Digital Opportunity Fund Auction (Auction 904), AU Docket No. 20-34;
Rural Digital Opportunity Fund, WC Docket No. 19-126; and
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this letter provides notice that on July 13, 2023, Philip Macres, Gary Gallant, and Matthew Seeber of the Klein Law Group, PLLC on behalf of the Coalition of RDOF Winners ("Coalition"), along with Elizabeth Bowles, President and CEO of Aristotle Unified Communications, LLC ("Aristotle") and JJ McGrath, President and CEO of Texoma Communications, LLC d/b/a TekWav ("TekWav") (who both are, among others, members of the Coalition) had a meeting via Teams with Giulia McHenry, Chief of Economics and Analytics ("OEA"), Suzanne Yelen, Associate Chief of the Wireline Competition Bureau ("WCB"), Jodie Griffin, Division Chief of the Telecommunications Access Policy Division of the WCB, Jesse Jachman, Deputy Division Chief, Telecommunications Access Policy Division of the WCB, Audra Hale-Maddox, Chief of Staff of the Rural Broadband Auctions Task Force, Eric Ralph, Associate Chief of OEA, and Staff members Mark Montano and Kelly Quinn, concerning the above-referenced proceedings.

During this meeting, the Coalition's June 20, 2023 Notice of *Ex Parte* Meeting Letter.¹ (especially Attachment 2 to this letter) and the Chairwoman's June 26, 2023 Letters to Honorable

¹ See Letter from Philip Macres, Counsel to the Coalition of RDOF Winners, to Marlene H. Dortch, Secretary, FCC (filed June 20, 2023) ("Coalition's June 20, 2023 Notice of *Ex Parte* Meeting Letter"), available at <https://www.fcc.gov/ecfs/document/1062096825996/1>.

Roger F. Wicker *et al.*² were discussed.

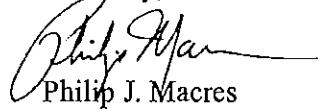
The meeting's focus was on various forms of relief the Commission could conceivably take in response to the massive and unprecedented increases in broadband deployment construction costs RDOF winners are facing—that could never have been anticipated at the time RDOF winners placed reverse bids during the RDOF auction, which include providing:

- (a) Supplementary funding to RDOF winners that have affirmatively requested such funding;
- (b) A short “amnesty window” that allows RDOF winners to relinquish all or part of their RDOF winning areas without forfeitures or other penalties if the Commission chooses not to make supplemental funds available or if the amount of supplemental funds the Commission does make available does not cover an RDOF Winner’s costs that exceed reasonable inflation, so that such unserved areas are included in the BEAD program;
- (c) RDOF payments in years 7-10 in earlier years;
- (d) An extra year of funding; and/or
- (e) Relief from all, or certain aspects of, the letter of credit requirements on an expedited basis.

While not discussed during the meeting, other forms of relief could include making low-interest loans available to RDOF winners, among other things.

If you have questions or need additional information, please let me know.

Sincerely,



Philip J. Macres
Counsel for the Coalition of RDOF Winners

cc: Giulia McHenry (all via email)
Suzanne Yelen
Jodie Griffin
Audra Hale-Maddox
Eric Ralph
Mark Montano
Kelly Quinn

² See Letters from the Honorable Jessica Rosenworcel, Chairwoman, FCC to the Honorable Roger F. Wicker, Hyde-Smith, and Vance, United States Senators (dated June 26, 2023) (“Chairwoman’s June 26, 2023 Letters to Honorable Roger F. Wicker *et al.*”), available at <https://docs.fcc.gov/public/attachments/DOC-395063A2.pdf>.

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June 20, 2023

VIA ECFS

Ms. Marlene Dortch
Secretary
Federal Communications Commission
45 L Street, NE
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation
Rural Digital Opportunity Fund Auction (Auction 904), AU Docket No. 20-34;
Rural Digital Opportunity Fund, WC Docket No. 19-126; and
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this letter provides notice that on June 20, 2023, Philip Macres and Gary Gallant of the Klen Law Group, PLLC on behalf of the Coalition of RDOF Winners ("Coalition"), along with Elizabeth Bowles, President and CEO of Aristotle Unified Communications, LLC ("Aristotle") and JJ McGrath, President and CEO of Texoma Communications, LLC d/b/a TekWav ("TekWav") (who both are, among others, members of the Coalition) had a meeting via Teams with Chairwoman Rosenworcel's Wireline Legal Advisor Ramesh Nagarajan concerning the above-referenced proceedings.

During this meeting, the attached June 12, 2023 letter from Senators Wicker, Anderson and Cindy Hyde-Smith to Chairwoman Rosenworcel (attached hereto as Attachment 1),¹ the attached document entitled "Coalition of RDOF Winners Plea for Commission Assistance via Supplemental RDOF Funding" (attached hereto as Attachment 2), and various points within the March 6, 2023 *ex parte* letter filed by Aristotle, TekWav, and Innovative Financial Technologies, LLC d/b/a AW Broadband ("AW Broadband") in these proceedings were discussed.²

¹ See Letter from Honorable Roger F. Wicker, J.D. Vance, and Cindy Hyde-Smith, Senators, to Honorable Jessica Rosenworcel, Chairwoman, FCC (dated June 12, 2023).

² See Letter from Elizabeth Bowles, President and CEO, Aristotle; JJ McGrath, President and CEO, TekWav; and Matthew Carpenter, President and CEO, AW Broadband to Marlene H. Dortch,

If you have questions or need additional information, please let me know.

Sincerely,



Philip J. Macres

Counsel for the Coalition of RDOF Winners

Attachments

cc: Ramesh Nagarajan, FCC (via email)

Attachment 1

ROGER F. WICKER

MISSISSIPPI

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ENVIRONMENT AND PUBLIC WORKS

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United States Senate

WASHINGTON, DC 20510

SUITE 425

RUSSELL SENATE OFFICE BUILDING

WASHINGTON, DC 20510

(202) 224-6253

www.wicker.senate.gov

June 12, 2023

The Honorable Jessica Rosenworcel
Chairwoman
Federal Communications Commission
45 L Street NE
Washington, D.C. 20554

Dear Chairwoman Rosenworcel,

On November 25, 2020, the Federal Communications Commission (FCC) concluded Phase I of the \$20.4 billion Rural Digital Opportunity Fund (RDOF) program, which will help deploy high-speed broadband networks to unserved areas of the United States. Phase I of the RDOF program included a reverse auction in which, generally speaking, those that submitted the lowest bids with the fastest broadband speeds were chosen as auction winners. The FCC initially planned to distribute \$16 billion during Phase I but authorized funding of only \$6.062 billion, leaving \$14.3 billion in the RDOF program.

Since Phase I of the RDOF program concluded, it has become more expensive to deploy broadband due to rampant. Increases in construction materials, equipment, and labor costs all are contributing, with fiber costs being a poster child at least a 70 percent increase. These costs are expected to rise even more with the National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) program's preference for fiber over other technologies.

Given the challenges, RDOF Phase I winners – especially smaller providers – are facing, what options are available to address funding shortfalls as we work on the important task of closing the digital divide? Specifically, we appreciate your review of the following options:

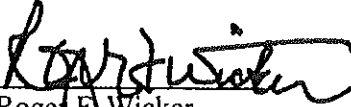
- 1) For RDOF Phase I winners, the FCC could make supplemental funding available from the initial amount obligated for the RDOF Phase I auction. If so, this supplemental funding might be limited to RDOF Phase I winners with less than 250,000 current broadband subscribers.
- 2) If supplemental funding is not made available, the FCC could permit RDOF Phase I winners to relinquish their RDOF Phase I obligations without exposure to forfeitures or other penalties, so that these areas can be funded through BEAD and other programs.


Notably, USDA's Reconnect program already makes such complementary funding available to RDOF winners and has provided supplemental funding to Reconnect Rounds 1 and 2 grant recipients due to the increases in broadband construction costs.

If the FCC wants the RDOF program to be implemented as originally intended – without penalizing RDOF winners with broadband deployment cost increases – further investment from the FCC is required to provide high-speed broadband access to unserved areas of the United States.

We look forward to your response no later than June 23, 2023. Thank you for working with us as we address the challenges of deploying broadband throughout rural America.

Sincerely,


Roger F. Wicker
United States Senator


Cindy Hyde-Smith
United States Senator


J. P. Vance
United States Senator

Attachment 2

**Coalition of RDOF Winners Plea for Commission Assistance
via Supplemental RDOF Funding**

I. Summary

Just months after COVID hit, the Commission concluded Phase I of its \$20.4 billion Rural Digital Opportunity Fund (RDOF) auction to assist in the deployment of high-speed broadband networks in various unserved areas of the United States. This program involved a reverse auction that was based on pre-pandemic construction costs for equipment, labor, and materials. However, as a result of COVID-19 along with new billion-dollar federal and pandemic-prompted broadband deployment funding programs, construction costs have skyrocketed - some by 100-300 percent. The Coalition of RDOF Winners seeks Commission assistance for relief that is available under its existing and already funded RDOF program to address these huge cost increases—expenses that could never have been anticipated by the Commission and RDOF winners prior to the auction.

II. After the RDOF Auction Took Place, Costs to Deploy High-Speed Broadband Networks Skyrocketed Due to Federal Government Broadband Funding Initiatives and Fiscal Policies that Were Prompted By the Pandemic

Following the RDOF reverse auction that took place in the fall of 2020, Congress faced the pandemic and addressed related economic issues by initiating federal broadband funding programs, such as the Consolidated Appropriations Act, 2021, the American Rescue Plan Act of 2021 (ARPA), and the Infrastructure Investment and Jobs Act (IIJA), among others, to ensure that all Americans have access to high-speed broadband services. These federal programs—which were not in existence at the time of the RDOF auction—provided billions of dollars towards funding broadband construction in rural unserved and underserved areas of the United States.

As a result of these post-RDOF and pandemic-prompted federal funding programs, the costs to deploy broadband networks to the RDOF locations have skyrocketed due to massive increases in the demand for broadband construction materials, equipment, and labor. Other factors driving the cost increases include significant supply chain issues and spiraling inflation caused by pandemic-prompted fiscal policies and other factors. *Overall, since the 2020 RDOF reverse auction, broadband deployment costs have significantly increased, some by 100 to 300 percent.* These construction costs are expected to spike upwards even further once NTIA's BEAD and Middle Mile programs start awarding grants.

Below are some examples of enormous increases in broadband construction costs that certain RDOF winners said they are facing:

- In the span of 2 years, the total costs to build have risen almost 4x!
- Cost of materials have quadrupled in some cases; splice cases tripled; and interest rates on the cost of money have increased 62.5% compounding the increases in freight and material costs.
- Overall costs have at least doubled if not tripled. Costs of fiber construction have risen from a blended rate of \$9 per foot to upwards of \$18. Cost of labor has risen as well.

- Costs of everything have increased: underground vaults have increased by almost 200%; drop fiber has increased by 100%; and innerduct (conduit) has increased by 44%.
- The cost of fiber more than doubled, and the cost of pipe, handholes, and splice cases more than tripled since we started construction.
- Cost of materials have increased 100% from 2021 to 2022. Delivery times have increased 6-18 months. In-stock on the shelf items are a thing of the past. Labor/contractors/machines are very difficult, and often impossible, to find. Small HDD machines are not available; large machines are \$250k and don't fit FTTH projects.
- The costs for supplies, labor, equipment, etc. all have gone up 30-300%.¹

RDOF winners took the initiative to be leaders in providing high-speed broadband services to unserved rural areas of the United States before the other federal programs were established. These winners should not now be penalized or otherwise seriously financially disadvantaged for being leaders via tremendous cost increases prompted by the new federal programs and fiscal policies in the wake of the pandemic, especially when these cost increases could never have been anticipated at the time they placed reverse bids during the RDOF auction.

III. Prompt Commission Assistance is Requested and Needed

The Coalition of RDOF Winners urges the Commission to quickly address these significant broadband deployment cost increases that the new billion-dollar federal and pandemic-initiated programs and policies prompted. The Commission can do so by providing relief to RDOF winners under its existing and already funded RDOF program. In particular, the Commission should provide supplemental funding—to come out of the over \$14 billion that currently remains in the RDOF program (including \$3 billion in accessible funds from RDOF defaults to date)—to RDOF winners to cover the cost increases.

If the Commission wants to confirm these skyrocketing cost increases, it can promptly do so by having *CostQuest* rerun its cost model that was used to determine the reserve prices for the 2020 RDOF auction with current broadband deployment costs. While RDOF winners were understandably responsible for including pre-COVID-19 cost increases to cover reasonable inflation expected prior to COVID-19 during the 10-year program, they should not have to shoulder exponential cost increases prompted by the pandemic and government programs and fiscal policies that caused broadband construction costs to astronomically increase as they have.

Moreover, the Commission is acutely well aware of these “unprecedented” cost increases

¹ These bullets reflect various individual statements from certain members of the Coalition of RDOF Winners. For this list, each of them has provided examples of certain levels and types of cost increases it is specifically facing, which may be different among Coalition members. Overall, this bullet list is simply designed to show that based on various feedback from Coalition members, broadband construction costs have dramatically increased across the board since the RDOF auction in 2020.

and the “economic challenges that carriers face as they emerge from the pandemic.”² To address such concerns, the Commission has already provided relief to rate-of-return carriers in 2021, 2022, 2023, and 2024 that receive USF support, given the “importance of providing broadband services during this unprecedented time.”³ For the same reason, the Commission should provide relief to RDOF winners.

Because cost increases have impacted all RDOF winners—both small and large, supplemental funds should not be limited to those RDOF winners with less than 250,000 current broadband subscribers. If any limitation is to be imposed, the Commission should only make supplemental funds available to those RDOF Phase I winners that affirmatively seek such funds from the Commission, as the Coalition of RDOF Winners has done. No limitations on the size of the RDOF Phase I winner should prevent it from doing so.

As indicated in Senator Wicker’s letter, USDA’s Reconnect program already makes complementary funding available to RDOF winners and already offered *sua sponte* supplemental funding to Reconnect Rounds 1 and 2 grant recipients due to the increases in broadband construction costs. The Commission should likewise make supplemental funding available *sua sponte* or otherwise do so without imposing time-consuming procedural burdens on RDOF winners, as supplemental funding is *needed now* to further broadband deployment in unserved RDOF areas of the United States—*not years from now*.⁴

² See *Connect America Fund*, WC Docket No. 10-90, Order, FCC 23-40, at para. 10-12 (rel. May 23, 2023) (the Commission waived the budget control mechanism for 2023 to 2024 tariff year) (“*2023 BCM Order*”); *Connect America Fund*, WC Docket No. 10- 90, Order, FCC 22-32, at para. 5, 10 (rel. May 10, 2022) (the Commission waived the budget control mechanism for both the 2021 and 2022 tariff years).

³ *2023 BCM Order*, at para. 12.

⁴ The Coalition of RDOF Winners emphasizes that this request for supplemental funding should not be interpreted as an indication or suggestion of possible default on their obligations to serve unserved locations in their winning RDOF areas, but rather as a request for fair and appropriate treatment. However, if the Commission chooses not to make supplemental funds available or if the amount of supplemental funds the Commission does make available does not cover an RDOF Winner’s costs that exceed reasonable inflation, then the RDOF Winner should not be penalized and forced to absorb such additional cost increases. Rather, in such circumstances, the RDOF Winner should be allowed to relinquish all or part of its RDOF winning areas without exposure to forfeitures or other penalties. In addition, RDOF Winners whose RDOF areas are subject to being overbuilt by other ISPs, who are being funded by ARAP or other grants (which has become more and more prevalent), should also have the same option.



March 6, 2023

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street, N.E.
Washington, DC 20554

**RE: Ex Parte Communication
Rural Digital Opportunity Fund Auction, AU Docket No. 20-34;
Rural Digital Opportunity Fund, WC Docket No. 19-126;
Connect America Fund, WC Docket No. 10-90**

Dear Ms. Dortch:

On Thursday, March 2, 2023, JJ McGrath of Texoma Communications, LLC dba TekWav, Matthew Carpenter of Innovative Financial Technologies, LLC dba AW Broadband, and Elizabeth Bowles of Aristotle Unified Communications, LLC (collectively, the "Participants") met with Wireline Competition Bureau staff, including Suzanne Yelen, Heidi Lankau, Audra Hale-Maddox, Nathan Eagan, Lauren Garry, and Katie King, to discuss challenges associated with the Rural Digital Opportunity Fund ("RDOF") Program.

The Participants, all rural internet service providers ("ISPs"), summarized some of the challenges each entity has faced since being announced as a winning bidder in the RDOF auction that have been compounded by the COVID-19 pandemic, resulting in significantly enhanced costs for materials and labor. Since the Participants filed their respective RDOF long-form applications, their RDOF deployment costs have increased from 30%-300%. At the time of the auction at the end of 2020, no one anticipated that inflation due to the pandemic would result in such dramatic cost increases across the board, not to mention extreme delays in equipment and materials delivery, some of which now take more than a year from order to receipt.

The Participants emphasized their intention to meet their respective RDOF buildout obligations but wanted Commission staff to be aware of these challenges.

Respectfully Submitted,

/s/ Elizabeth Bowles
President and CEO
Aristotle Unified Communications, LLC

/s/ JJ McGrath
President and CEO
Texoma Communications, LLC dba TekWav

/s/ Matthew Carpenter
President and CEO
AW Broadband

cc (via email):
Suzanne Yelen
Heidi Lankau
Audra Hale-Maddox
Nathan Eagan
Lauren Garry
Katie King



Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

SCOTT RUPP
Chairman

JASON R. HOLSMAN
Commissioner

KAYLA HAHN
Commissioner

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GLEN KOLKMEYER
Commissioner

September 21, 2023

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

USAC
Vice President, High Cost Division
700 12th Street, NW, Suite 900
Washington, DC 20036

RE: CC Docket Nos. 96-45/WC Docket No. 14-58, Annual State Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. § 54.314

Pursuant to the requirements of 47 C.F.R. § 54.314, the Missouri Public Service Commission hereby certifies to the Federal Communications Commission and Universal Service Administrative Company that the carriers included in this letter are eligible to receive federal high-cost support. All eligible telecommunications carriers listed in the attached have certified to this Commission that all federal high cost universal service fund support was used in the preceding calendar year of 2022 and will be used in the coming calendar year of 2024 only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Rupp", is written over a large, stylized, handwritten flourish that extends across the signature area.

Scott Rupp
Chairman

Attachment: List of certificated carriers

Certification of Federal High Cost Universal Service Fund Support

The Missouri Public Service Commission hereby certifies that the following companies have certified to this Commission that funds received from the federal high cost universal service funding mechanism were used in Missouri for the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Company	Study Area Code(s)
Air Link Rural Broadband, LLC	429043
Alma Communications Company d/b/a Alma Telephone Company	421860
Aptitude Internet, LLC	429049
Barry Electric Cooperative d/b/a Barry Technologies Services, LLC	429036
BPS Telephone Company	420463
Callabyte Technology, LLC	429037
Brightspeed of Missouri, LLC	429786, 429785, 429784, 429787
Brightspeed of Northwest Arkansas, LLC	401142
Chariton Valley Communications Corporation	429031
Chariton Valley Telephone Corporation	421864
Charter Fiberlink- Missouri LLC	429051
Choctaw Telephone Company	421893
Citizens Telephone Company of Higginsville, Missouri d/b/a Green Hills Communications	421865
CO-MO COMM, INC. d/b/a Co-Mo Connect	429038
Conexon Connect, LLC	429050
Consolidated Communications of Missouri Company d/b/a Consolidated Communications	421472
Craw-Kan Telephone Cooperative, Inc.	421759
Ellington Telephone Company	421874
Embarq Missouri Inc. d/b/a CenturyLink	421957
Farber Telephone Company d/b/a Rally Networks	421876
Fidelity Cablevision, LLC d/b/a Fidelity Communications	429002
Fidelity Telephone LLC d/b/a Fidelity Communications	421882
Goodman Telephone Company d/b/a Rally Networks	421886
GoSEMO, LLC	429039
Granby Telephone Company	421887
Grand River Mutual Telephone Corporation d/b/a GRM Networks	421888
Green Hills Cellular Telephone d/b/a Green Hills Telecommunications Services	429004
Green Hills Telephone Corporation	421890
Holway Telephone Company d/b/a Fastwyre Broadband	421929
IAMO Communications, Inc.	421206

Kingdom Telephone Company	421901
KLM Telephone Company d/b/a Fastwyre Broadband	421900
Lathrop Telephone Company d/b/a LTC Networks	421932
Le-Ru Telephone Company	421908
Mark Twain Communications Company	429001
Mark Twain Rural Telephone Company	421914
McDonald County Telephone Company	421912
Mercury Wireless Kansas, LLC d/b/a Mercury Broadband	429042
Mid-States Services, LLC	429041
Midwest Data Center Inc.	429052
Miller Telephone Company	421920
MoKan Dial, Inc.	421807
New Florence Telephone Company d/b/a Rally Networks	421927
New London Telephone Company d/b/a Rally Networks	421928
Northeast Missouri Rural Telephone Company d/b/a NEMR	421931
Northwest Missouri Cellular Limited Partnership	429789
Orchard Farm Telephone Company d/b/a Rally Networks	421934
Oregon Farmers Mutual Telephone Company	421935
Otelco Mid-Missouri LLC	421917
Ozark Telephone Company d/b/a Rally Networks	421866
PD Fiber LLC	429055
Peace Valley Telephone Company, Inc.	421936
Rock Port Telephone Company	421942
Ralls Technologies LLC	429053
Seneca Telephone Company d/b/a Rally Networks	421945
Socket Telecom, LLC	429048
Brightspeed of East Missouri	421151
Steelville Telephone Exchange, Inc. d/b/a STE Communications	421949
Stoutland Telephone Company d/b/a Rally Networks	421951
United Services, Inc.	429040
TurboNet Technologies, Inc. d/b/a TurboNet	429054
USCOC of Greater Missouri, LLC d/b/a U.S. Cellular	429007
Windstream Missouri, LLC	421885
Wisper ISP LLC	429045