

From: [Carrie Johnson](#)
To: [BOCrfc2015](#)
Cc: [Mark Shlanta](#); [Rich Coit](#); [Vernon Brown](#); [Greg Dean](#); [Nancy Johnson](#); [Bill Heaston](#)
Subject: SDN Communications & SDTA Comments - Broadband Opportunity Council
Date: Wednesday, June 10, 2015 10:53:27 AM
Attachments: [SDN & SDTA BOC Letter 061015.pdf](#)
[SDN & SDTA BOC Letter 061015 \(FINAL\).docx](#)

I have attached SDN Communications and the South Dakota Telecommunications Association's letter in response to the Broadband Opportunity Council request for comments. Per your request, we included both a machine-readable Word document and a signed PDF version.

Thank you,
Carrie

Carrie Johnson | Manager of Government & External Relations

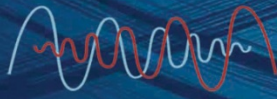
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June 10, 2015

The National Telecommunications and Information Administration (NTIA)
U.S. Department of Commerce
1401 Constitution Avenue NW, Room 4626
Attn: Broadband Opportunity Council
Washington, DC 20230

Dear Secretary Pritzker and Secretary Vilsack:

Thank you for your leadership as the co-chairs of the Broadband Opportunity Council. We applaud your and President Barack Obama's commitment to this important initiative. SDN Communications and the South Dakota Telecommunications Association (SDTA) thank you for initiating this critical conversation regarding strategies to spur broadband deployment, adoption, and competition throughout the United States.

We appreciate the opportunity to share our thoughts concerning the existing barriers impeding broadband deployment and our ideas for advancing the national goal of ensuring Americans have access to broadband speeds of 25 megabits per second or higher. We look forward to working with you as the Broadband Opportunity Council considers recommendations and develops proposals to address barriers, strengthen existing programs that support broadband deployment, and improve collaboration across all levels of government and among industry and other stakeholders. We share your goal of expanding access to quality and affordable broadband service to every corner of the United States and invite you to use SDN Communications and SDTA as a resource and partner as you move forward with this initiative.

As background, SDTA is a state association with a membership comprised of South Dakota's cooperative, small commercial, municipal, and tribal telecommunications companies. SDN Communications is a business-to-business broadband service provider with a network extending into eight states – reaching from Billings to Minneapolis and Fargo down to Kansas City. SDN Communications is owned by 17 rural telecommunications companies and has partnered with these companies to deploy high-speed broadband to rural communities across South Dakota. In 2009, NTIA awarded SDN Communications a \$20 million grant through the Broadband Technology Opportunities Program. SDN Communications contributed an additional \$5 million toward the project. The project was completed on time and under budget and extended broadband to 314 locations in South Dakota, 14 more sites than originally planned.

Overbuilding Concerns

Questions 15, 17, 20, 21, 24, 25, and 26

We agree the federal government must remain fully committed to achieving goals that will bring quality and affordable broadband service to all Americans regardless of where they live. We

have concerns, however, with any proposal that would entice cities to construct broadband networks where existing providers in the market already provide this critical service. Instead, we recommend the federal government make a strong commitment to maintaining and strengthening existing federal programs, such as USDA's Rural Utility Service loan programs and the Universal Service Fund High Cost Program, that have a proven history of bringing quality and affordable services to small towns and rural areas.

It goes without saying that all new competitive business ventures face the possibility of failure. The risk is obviously greater in areas where potential subscriber numbers are low and service deployment costs are high. The cost for even a small community to build a competing broadband network runs into the millions of dollars, in addition to the ongoing cost of personnel, maintenance, and necessary upgrades.

Updating and strengthening the current federal programs designed to support existing providers, including cooperatives and other entities that are customer/member owned, presents a more effective and sustainable approach in deploying advanced broadband services to unserved and underserved areas. This strategy, focused on leveraging existing programs and providers, would work best in increasing long-term broadband investments and more rapidly bringing essential high-speed broadband services to people living in small towns and rural areas across our country.

Issues Related to State, Local, and Tribal Governments

Questions 18 and 21

There are many pre-deployment barriers that present significant obstacles to broadband deployment. As one example, local and tribal governments often create barriers by taking an overly burdensome approach in managing the public rights-of-way. According to congressional testimony from Google's Milo Medin, Vice President of Access Services, "Part of the reason we selected Kansas City for the Google Fiber project was because the city's leadership and utility moved with efficiency and creativity in working with us to craft a real partnership...It's clear that investment flows into areas that are less affected by regulation than areas that are dominated by it." Local governments that expedite and streamline their processes and grant open access to their rights-of-way can spur competition and attract investment into their community. Even large, well-established companies, like Google, with broad influence and legal and regulatory expertise are deterred from operating and investing in areas with significant pre-deployment barriers. This underscores the heightened challenge for small and regional providers operating in such areas, while lacking the influence and resources of large Internet service providers.

The Federal Communication Commission's 2010 National Broadband Plan recommended "federal, state and local governments should....reduce the costs incurred by private industry when using public infrastructure. First, government should take steps to improve utilization of existing infrastructure to ensure that network providers have easier access to poles, conduits, ducts and rights-of-way." The National Broadband Plan also recommended encouraging broadband deployment by facilitating the placement of communications infrastructure and adopting a "dig once" policy on federally managed property. The Broadband Opportunity Council should consider these directives and work to make them a reality. We urge the Broadband Opportunity Council to develop best practices for state, local, and tribal governments and encourage these entities to adopt the guidelines.

Furthermore, the Broadband Opportunity Council should also look into the possibility of developing a mediation framework for intervention when rights-of-way negotiations reach an impasse. Presently, such impasses lead to lengthy delays or the termination of planned broadband deployment. Broadband consumers are the ones most negatively affected when such impasses occur because they continue lacking access to quality and affordable broadband services.

Thank you for your consideration of the recommendations we outlined in this letter. Please do not hesitate to request additional information regarding these and related topics. We look forward to working with you as this initiative moves forward.

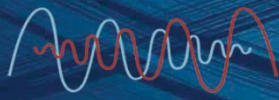
Sincerely,



Mark Shlanta, CEO
SDN Communications



Richard Coit, Executive Director
South Dakota Telecommunications Association



Mark Shlanta, CEO
SDN Communications
2900 West 10th Street
Sioux Falls, SD 57104

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Mark Shlanta

Mark Shlanta, CEO
SDN Communications

Richard Coit

Richard Coit, Executive Director
South Dakota Telecommunications Association