

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

In the Matter of Connect America Fund	WC Docket No. 10-90
A National Broadband Plan for our Future	GN Docket No. 09-51
Establishing Just and Reasonable Rates for Local Exchange Carriers	WC Docket No. 07-135
High-Cost Universal Service Support	WC Docket No. 05-337
Developing an Unified Intercarrier Compensation Regime	CC Docket No. 01-92
Federal-State Joint Board on Universal Service	CC Docket No. 96-45
Lifeline and Link-Up	WC Docket No, 03-109

Reply Comments of IMPACT 20/20

Background

IMPACT 20/20 is an influential group of northwest Minnesota leaders representing diverse interests and working together for the region's economic success. Founding participants included top business leaders, heads of higher education, tribal chairs, as well as leaders in the fields of healthcare, utilities, workforce, education, economic development and philanthropy. Impact 2020 focuses on economic development and the economic well being of rural northwest Minnesota. The area contains a strong agricultural base (Red River Valley), many manufacturing companies both large and small, two sovereign nations, two Universities, and three Technical Colleges.

Unfortunately, this area also represents a substantial population living below the poverty level. US Census Bureau 2009 estimates for poverty levels indicate that

13.2% of the US population lives below the poverty level, 10.9% of Minnesotans live below the poverty level and 14.6% of the population of the 12 Northwest Minnesota counties live below the poverty level.

Unemployment levels in this area generally exceed the state average as well. In 2010 Minnesota had an overall unemployment level of 7.3%, while 7 of the 12 counties had levels of over 8%, with Clearwater County having the highest unemployment rate of 13.7%.

The 12 Northwest Minnesota counties cover 14,400 square miles (an area larger than 9 states) and have a population of approximately 165,000. The average density is 11.46 people per square mile. The average population density in the United States is 87.4 persons per square mile.

In Northwest Minnesota approximately 3700 households are unserved based on April 2010 U.S. Census Tract Data. In Mahanomen county, the location of the White Earth Indian Nation, 31% of the households are unserved. In most of the 12 counties the level of service that is currently available is well below speeds that are sufficient to meet today's data needs. The average download speed in the 12 counties is 2.4Mb while the average upload is under 1Mb.¹

Universal Service Fund Reform

Impact 2020 recognizes the complexity of the task before the FCC. The economic reality is that the cost of communications infrastructure deployment increases as population densities decrease. With a population density of 11.46 people per square mile, the cost of broadband capable infrastructure deployment is significantly higher in northwest Minnesota than in urban areas. Without significant support, a workable economic model does not exist. Artificially induced competition, benchmarks and caps on support will likely lead to an inefficient USF model that will not provide adequate support for rural sparsely populated areas of this country. The entire country will benefit if adequate support is provided in high cost areas to create a viable ubiquitous network for communication access.

Reasonable Comparable Services

IMPACT 20/20 is focused on the economic well being of the 12 counties of northwestern Minnesota. This is a sparsely populated region not unlike many others across this country. We strongly agree with the fundamental concept within the National Broadband Plan that rural customers have access to reasonably comparable services at reasonable comparable rates. Without comparable access at comparable rates, northwest Minnesota, as well as many others areas across this

¹ Source: Minnesota Ultra High Speed Broadband Report. This is the connection speed that residents have purchased. Higher average speeds may be available but may exceed the ability of residents to purchase.

country are likely to falter. In today's economy, broadband access is essential to making many economic business models feasible.

Support of Comments by Other Filers

IMPACT 20/20 supports the *Comments of the North Dakota Public Service Commission* and the *Comments of the National Carrier Association, Inc.; National Telecommunications Cooperative Association; Organization for the Promotion and Advancement of Small Telecommunications Companies; and Western Telecommunications Alliance; Concurring Associations* as they relate to A national Broadband Plan for our Future, High-Cost Universal Service Support, Lifeline and Link-Up and Connect America Fund in high cost sparsely populated areas .

IMPACT 20/20 is not commenting on, nor supporting, the issues in the NPRM that relate to Intercarrier Compensation. We understand this is an extremely important but complex and contentious area. Our focus remains on rural consumers having access to reasonably comparable services, and at reasonably comparable rates. We ask that the FCC employ a rural lens when considering the implications of the various proposals within the NPRM as well as when reviewing the volumes of comments that have been filed regarding these issues.

We share the concern that a number of the proposals outlined in the NPRM would have the effect of dramatically undermining universal service in rural areas. These proposals as currently considered could cause a decrease in the quality of broadband and slow gains in rural broadband deployment and adoption. Significant rate increases for rural consumers may have the effect of many consumers losing service, as they must make the choice between broadband and other more immediate household needs.

In Conclusion

IMPACT 20/20 urges that reform of the Universal Service Fund should be a critical component of our national broadband strategy. Although the private sector has been successful in bringing affordable high-speed internet access service to most Americans, bringing broadband to unserved or underserved areas and promoting adoption of services by underserved segments of the population (e.g. low-income consumers) will require sufficient financial support from the federal government. IMPACT 20/20 believes that the federal Universal Service Fund (USF) programs will be a critical component in providing universal and equitable access to broadband services.

Initially, the USF was established to ensure affordable, reliable telephone access for every American, including those in sparsely populated, high-cost areas. USF has been a success story this country can be proud of. Today, almost everyone in the United States has access to affordable and reliable telephone service. The model

now needs to be extended beyond telephone services to include broadband accessibility.

Government support for broadband should prioritize unserved areas and underserved population. Although broadband is available to 92% of U.S. households, there are areas that remain underserved- either no service at all, or speeds that are simply insufficient for economic development and basic quality of life. Broadband isn't just about sending e-mails or downloading music. With the emergence of electronic medical records, Telemedicine, Radiological systems and TelePharmacies, and distance learning, it has literally become a life essential. Nowhere are these services more important than in our rural areas, yet usually it is these very areas that have the lowest level of broadband service.

The members of IMPACT 20/20 welcome the opportunity to work with Commission staff and other stakeholders in increasing broadband access and affordability for all Americans.

Dated: May 11, 2011
Respectfully Submitted,

IMPACT 20/20

Nancy Vyskocil, President/CEO
Northwest Minnesota Foundation
4225 Technology Dr.
Bemidji, MN 56601
218-759-2057
email: nancyv@nwmf.org

IMPACT 20/20 Members:

- Mr. Mike Carroll, Assistant Commissioner, Minnesota Department of Natural Resources
- Dr. Charles Casey, Chancellor, University of Minnesota, Crookston
- Mr. Brent D. Gish, Superintendent, Red Lake Schools
- Ms. Amanda Grzadzielewski, Executive Director, Northwest Private Industry Council
- Mr. Robert J. Hager, President, Border State Bank
- Gary Johnson, COO, Paul Bunyan Rural Telephone Cooperative
- Floyd Jourdain, Jr., Tribal Chair, Red Lake Band of Chippewa Indians
- Mr. Jon Linnell, Executive Director, North Region Health Alliance
- Ms. Leah Pigatti, Executive Director, Mahube Community Council
- Mr. Richard Sjoberg, President, Sjoberg's Inc.

- Ms. Teresa Spaeth, Executive Director, Agricultural Utilization Research Institute
- Mr. Mike St. Onge, Regional Manager, Titan Machinery
- Mr. Terry Stallman, Economic Development Consultant, Otter Tail Power Company
- Mr. Lloyd Styrwooll, Executive Director, Northwest Service Cooperative
- Dr. Anne Temte, President, Northland Community and Technical College
- Mr. Cliff Tweedale, Executive Director, Headwaters Regional Development Commission
- Mr. Daniel Wenner, Executive Director, Rural Minnesota Concentrated Employment Program
- Mr. Dan Wilson, Executive Director, Northwest Mental Health Center
- Dr. Erma Vizenor, Chairwoman, White Earth Reservation Tribal Council
- Ms. Nancy Vyskocil, President, Northwest Minnesota Foundation
- Dr. Delore Zimmerman, President, Praxis Strategy Group