

South Carolina 2022 ARPA 1.0 Priority Area SLFRF Comment Form



ARPA 1.0 Comment Form *ONE form per project*

ORS is NOT accepting any revisions to Grant Applications during the Comment Period. However, all ISPs are welcomed to comment on their own Grant Application(s) to notify ORS of any scrivener's error(s) that may exist. All comments will be published on the ORS website.

1. Commenter's Name	South Carolina Telephone Coalition
2. Commenter's Email	tgreen@burr.com
3. Commenter's Phone	803-753-3224
4. Applicant Parent Organization Name	South Carolina Telephone Coalition
5. Applicant Legal Entity Name	South Carolina Telephone Coalition
6. Application Project Number	N/A
7. Application Project Name	N/A
REQUIRED 8. Is this a comment for a revision of your own ARPA 1.0 Grant Application (Yes/No)	No
9. Do you have documentation and/or evidence to submit to the SC Broadband Office which supports your position?	N/A
10. Application Comments	See attached Exhibit A.

EXHIBIT A

South Carolina 2022 American Rescue Plan Act (ARPA) Coronavirus State Fiscal Recovery Fund (SFRF) 1.0 Broadband Grant Program (“ARPA SFRF Program”)

Comments of the South Carolina Telephone Coalition

The South Carolina Telephone Coalition (“SCTC”), on behalf of its member companies, submits the following general comments regarding applications for funding submitted to the Office of Regulatory Staff (“ORS”) pursuant to the ARPA SFRF Program. SCTC’s comments are directed to general issues and concerns, and not necessarily to specific applications. However, in some cases we may cite to specific applications as examples. SCTC’s general concerns can be summarized as follows.

1. Relative Size of Defined Project Areas

ORS’s ARPA SFRF Program Guidelines provide some general guidance on application requirements. With respect to defining project areas, ORS provided additional guidance for applicants in the FAQs it posted on its website. Those FAQs generally require that project areas be as contiguous as possible. Examples include:

“A project should be *one contagious [sic] area* with priority area census blocks and unserved census blocks included.” ARPA Application Questions, FAQ No. 26, p. 21.

“A separate application is required for each project. If the project crosses county lines, but is large *and contiguous*, one application is fine.” General ARPA Grant Program Questions, FAQ Nos. 17 and 20, pp. 8 and 9.

Most applicants appear to have followed this guidance. However, a number of applicants (primarily large national carriers) submitted applications defining very large non-contiguous project areas that appear to be based solely on county boundaries and not on objective factors such as priority areas, community needs, available technology, and areas already served or under construction. Applicants proposing these larger project areas can disguise the true project costs for high priority areas, while having visibility to competitors' construction costs for the more granularly-defined project areas.

As an example, suppose Applicant A defines a small project area limited to a high priority area, and Applicant B defines a much larger project area that includes that same area plus additional areas that are not high-priority areas. Application B may include non-contiguous unserved areas that are not priority areas, and may even include served areas the applicant proposes to construct through to link the unserved and priority areas. Application A, which will include per-location costs that reflect the actual cost of serving the targeted high-priority area, will likely show a significantly higher cost-per-location than Application B. Stated another way, Applicant B is able to disguise the true cost of serving the targeted high-priority area by spreading those costs out over a larger area, some or most of which are not high-priority (or even unserved) areas.

This is particularly problematic if Applicant B is permitted to break up its application into smaller pieces later in the process. It would be inappropriate for ORS to accept a revised application from Applicant B to serve the limited high-priority area for which Applicant A applied – *after* Applicant B has seen Applicant A's publicly-filed application and corresponding estimated project cost information.

Another concern is how the scoring matrix, which seems to place great weight on the number of Census Blocks and/or locations to be served, will be applied to these disparate applications. This scoring weight makes sense when comparing applications of similar size that are targeted to priority and contiguous areas, but can lead to unfair results if applications of greatly disparate size are scored side-by-side. Applications including large project areas defined almost exclusively by county boundaries at the very least may have the effect of improperly skewing the scoring matrix in favor of the ill-defined project boundaries set forth in these applications.

2. Applications Requesting No ARPA SFRF Program Funding

There are several “applications” where the provider (in this case, Charter) requested *no ARPA SFRF Program funding*, and provided no information on project funding or project cost. Examples are Applications CHR-04 (Cherokee County), CHR-05 (Darlington County), and CHR-20 (Spartanburg County). We are confused by these non-applications and believe they should be disregarded and removed from ORS’s interactive application map. If Charter’s intent was to show that these areas are “Funded Projects” that require no additional funding from ARPA SFRF, there was a process specifically designed by ORS for those purposes, and Charter should have followed the same process as other providers. If there is some other intention, that intention should be stated clearly and transparently to the public. For example, is it Charter’s intent to somehow block these areas from consideration for awards to other providers? Or perhaps to put a “placeholder” blank application for these project areas, and fill in the respective dollar amounts (ARPA SFRF, third-party funding, and applicant funding) at a later time? If so, those efforts should be rejected outright, as Charter has now had visibility to other projects that may overlap its defined project areas, and has had an opportunity to review other providers’ proposed project costs. The bottom line is that if these applications are in any way intended to block existing providers from receiving

funding, then they do not meet the intended spirit of the ORS requirements related to the ARPA SFRF Program. Whatever the intent, Charter’s “applications” do not “apply” for anything, and should be disregarded by ORS.

3. Pricing Tiers

With respect to pricing of broadband service by ARPA SFRF grant recipients, the United States Department of the Treasury, in its Final Rule implementing the ARPA SFRF Fund, recognized the importance of affordable broadband access for *all* consumers beyond those that are low income, and encouraged recipients (such as ORS) to require that services provided pursuant to a funded project include at least one low-cost option offered without data usage caps at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning. Accordingly, ORS’s guidance on completing the “pricing tiers” portion of the application clearly stated that the Affordable Connectivity Program (“ACP”) *should not be factored into the pricing tiers*, and that applicants were required to participate in ACP, *in addition to providing a low-cost affordable plan with no income requirement.* See ARPA Application Questions, FAQ Nos. 10 and 16, at pp. 17-18. Despite this guidance, we have noticed a number of applications where the providers checked boxes for low-cost pricing tiers that, based on a review of information on these carriers’ respective websites, appear to be limited to low-income customers. See, e.g., Comcast applications, which reference the company’s “Internet Essentials” program; Charter applications, which reference the “Spectrum Internet Assist” program. We ask that ORS review pricing tier information carefully to ensure consistency of treatment among applicants who included low-income-only programs and those that did not.

Conclusion

We respect that ORS and the SC Broadband Office have a huge challenge in reviewing the numerous applications that have been submitted for ARPA SFRF Program funding. These comments are intended to collect and present some general observations and concerns the SCTC members have identified regarding the overall application process. In particular, we would note that there is a history of certain large providers manipulating funding programs in an effort to block out other providers instead of focusing on the need to quickly provide broadband to customers who lack service, and we encourage ORS to be mindful of that history. Individual SCTC member companies are reviewing specific applications that may impact their own areas, and will comment on specific applications as they deem necessary. We hope these general comments are helpful to ORS and the SC Broadband Office, and we sincerely appreciate the opportunity to submit them.

Respectfully submitted,

s/Tracey C. Green

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