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November 27, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**RE: Petition of Velocity.Net Communications, Inc. For Designation as an Eligible
Telecommunications Carrier**
Docket No. P-_____
Expedited Treatment Requested

Dear Secretary Chiavetta:

Enclosed for filing is the Petition of Velocity.Net Communications, Inc. ("VNCI") for designation as an Eligible Telecommunications Carrier ("ETC") in the Commonwealth of Pennsylvania.

VNCI is seeking ETC designation because it was awarded funds under the FCC's Connect America Fund II ("CAF II") Auction. Pursuant to the CAF II rules, VNCI is required to obtain ETC designation by February 25, 2019. Therefore, VNCI respectfully requests that its Petition be considered on an expedited basis in order to meet the FCC's deadline.

Copies of the Petition have been served in accordance with the attached Certificate of Service. Should you have any questions, please feel free to contact me.

Best Regards,

STEVENS & LEE



Michael A. Gruin

Enclosure

cc: Certificate of Service
Erin Laudenslager, Bureau of Technical Utility Services (via Email)

**Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Velocity.Net Communications, Inc.)
for Designation as an Eligible Telecommunications)
Carrier)
)
)
)
)
)

Docket No. _____

**Petition of Velocity.Net Communications, Inc. for Designation
as an
Eligible Telecommunications Carrier**

Pursuant to 52 Pa. Code § 69.2501, section 3019(f) of the Pennsylvania Public Utility Code (66 Pa. C.S. § 3019(f)), section 214(e)(6) of the Communications Act of 1934, as amended (“Act”),¹ the relevant provisions of the Federal Communications Commission’s (“FCC”) rules,² and the relevant orders of the Pennsylvania Public Utility Commission (“PUC” or “Commission”), Velocity.Net Communications, Inc. (“VNCI”) requests that the PUC designate it as an eligible telecommunications carrier (“ETC”) in Pennsylvania (the “Commonwealth”) in order to access funds awarded to VNCI under the FCC’s Connect America Fund II (“CAF II”) Auction. With this Petition, VNCI is seeking ETC designation only in those areas of the Commonwealth for which VNCI was awarded funding under the CAF II Auction.

VNCI respectfully requests expedited consideration of this Petition in order to ensure that ETC designation is obtained by February 25, 2019, as required by the CAF II rules.

¹ 47 U.S.C. § 214(e)(6).
² 47 C.F.R. § 54.202.

I. INTRODUCTION & SUMMARY

VNCI is certificated as a Competitive Access Provider (“CAP”) and Competitive Local Exchange Carrier (“CLEC”) in Pennsylvania.³ VNCI owns and operates a 375 mile long fiber ring in northwestern Pennsylvania which it uses to provide voice and high speed internet service to residential, small business, and enterprise customers.

On March 29th 2018, VNCI submitted a short-form application to participate in the CAF II Auction 9-903. A copy of VNCI’s CAF II Application is attached hereto as **Exhibit 1**.

The CAF II Auction results were announced on August 28, 2018, and VNCI was the winning bidder and received an award for six census blocks. As a result, VNCI is eligible to receive \$230,016 in CAF II funding over ten years in order to provide voice and broadband services to portions of Erie County, Pennsylvania where high speed internet service is unavailable. In accordance with the FCC’s Auction 903 Procedures, winning bidders must obtain high-cost ETC designation from all of the relevant states that cover its winning bidding area and must submit proof of that designation to the FCC.

As discussed below, VNCI meets all statutory and regulatory prerequisites for ETC designation, including all applicable Pennsylvania-specific requirements for ETC designation. Granting ETC status to VNCI is in the public interest and will allow VNCI to access federal CAF II funds to extend telecommunications service to designated high costs areas in the Commonwealth.

³ See, *Application of Velocity.net Communications, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Access Provider to the Public in the Commonwealth of Pennsylvania*, Docket No. A-310409, Order entered August 24, 2006); *Amended Application of Velocity.Net, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Local Exchange Carrier to the public in the Commonwealth of Pennsylvania in the service territories of Verizon Pennsylvania Inc. and Verizon North LLC*, Docket No. A-311409F0002 (Order entered August 31, 2012).

Exhibit 2 hereto includes a list of each census block for which VNCI is requesting ETC designation in Pennsylvania (“the Designated Service Area”). VNCI plans to use the CAF II funds to extend VNCI’s existing fiber optic network to the service areas to provide telephone services and internet services with speeds up to 1 Gbps x 1 Gbps.

II. VNCI MEETS THE STATUTORY AND REGULATORY PREREQUISITES FOR ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

The Commission has authority to perform ETC designations under 47 U.S.C. § 214(e), which provides in part, “A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission.”⁴ The PUC has exercised its jurisdiction to designate carriers as ETCs in Pennsylvania.⁵

The Commission’s regulations provide that ETC petitions in the Commonwealth are to be evaluated under 47 U.S.C. § 214(e) and the relevant rules and Orders of the FCC, and that petitions for ETC designation seeking low-income support from Lifeline and Link-up America programs must satisfy the minimum standards established in 66 Pa.C.S. § 3019(f) and comply with the Commission’s Lifeline and Link-Up Order, *In Re: Lifeline and Link-Up Programs*, Docket No. M-00051871, Final Order, May 23, 2005.⁶ The Commission’s *Final Policy Statement on Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunications Carrier (ETC) for Purposes of Federal Universal Service Support*, Docket No. M-2010-2164741, (Aug. 2, 2010) (“ETC Policy Statement”) outlines the minimum standards that must be met in order to receive ETC

⁴ 47 U.S.C. § 214(e)(2).

⁵ *See, e.g.*, 52 PA. CODE § 69.2501.

⁶ 52 PA. CODE § 69.2501.

designation in the Commonwealth, and the specific elements that must be included in ETC petitions.

As demonstrated herein, VNCI meets the requirements for designation as an ETC as established under Section 214(e) of the Act,⁷ FCC rules,⁸ and the relevant PUC rules and orders. Furthermore, VNCI's designation as an ETC serves the public interest by allowing it to extend broadband service to high cost areas in the Commonwealth.

VNCI's compliance with each of the applicable requirements to obtain designation as an ETC is further discussed below.

A. VNCI is a Common Carrier

Section 214(e)(1) of the Act provides that applicants for ETC designation must be common carriers that will offer all of the services supported by the universal service fund ("USF"), either using its own facilities or a combination of its own facilities and the resale of another carrier's services. VNCI satisfies this requirement.

VNCI meets the ETC requirement of being a common carrier. VNCI is certificated as a Competitive Access Provider ("CAP") and Competitive Local Exchange Carrier ("CLEC") in Pennsylvania.⁹ As such, VNCI certifies that it is a common carrier under 47 U.S.C. §§ 214(e)(1) and 214(e)(6) for purposes of ETC designation.¹⁰

⁷ 47 U.S.C. § 214(e)(1).

⁸ 47 C.F.R. § 54.201(d).

⁹ See, *Application of Velocity.net Communications, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Access Provider to the Public in the Commonwealth of Pennsylvania*, Docket No. A-310409, Order entered August 24, 2006); *Amended Application of Velocity.Net, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Local Exchange Carrier to the public in the Commonwealth of Pennsylvania in the service territories of Verizon Pennsylvania Inc. and Verizon North LLC*, Docket No. A-311409F0002 (Order entered August 31, 2012).

¹⁰ 47 U.S.C. § 214(e)(1), (e)(6).

B. VNCI Offers Services Using its Own Facilities

VNCI is a facilities-based carrier, and it owns and operates a 375 mile long fiber ring in northwestern Pennsylvania which it uses to provide voice and high speed internet service to residential, small business, and enterprise customers. VNCI will be extending this fiber network in order to bring its services to the Designated Service Area.

C. VNCI Offers the Services Supported by the Federal Universal Service Support Mechanisms as Required by 47 C.F.R. § 54.101(a)

As described below, VNCI provides voice telephony service and broadband internet access supported by federal universal service support mechanisms, including the following capabilities:

1. Voice Grade Access To The Public Switched Telephone Network¹¹ – VNCI meets this requirement through its provision of voice service and interconnection to the public switched telephone network. VNCI will extend its voice service in the Designated Service Area by extending its fiber network to service locations in the Designated Service Area.
2. Local Usage – an amount of minutes of use provided free of charge to end users.¹² VNCI meets this requirement by providing an amount of local usage free of charge in its voice service offerings.
3. Access To Emergency Services – access to emergency services includes access to both 911 and E911 services to the extent the local government has implemented such services.¹³ VNCI meets this requirement by providing 911 service and meeting all requests for E911 service from local public service answering points to the extent local governments in VNCI's service area have implemented 911 or enhanced 911 systems.
4. Toll Limitation For Qualifying Low-Income Consumers – toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control.¹⁴ Upon implementing any service offering that distinguishes between toll and non-toll calls, VNCI will offer

¹¹ 47 C.F.R. § 54.101(a)(1).

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*, 54.400(d).

toll limitation to qualifying low-income consumers at no additional charge. However, VNCI's typical service offerings do not distinguish between toll and non-toll calls and therefore toll limitation service is not applicable.¹⁵

5. Broadband Service – an ETC that is subject to high-cost public interest obligation to offer broadband Internet access service and not receiving Phase I frozen high-cost support must offer broadband internet service within the areas where it receives high-cost support. VNCI satisfies this requirement because it provides internet access that provides the capability to transmit data to and receive data by wire from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service.¹⁶ VNCI will be extending its broadband Internet access to the Designated Service Area.

D. VNCI Will Provide Service Applicable to the Support it Receives Throughout Its Designated Service Area

VNCI is committed to provide voice and broadband service, including all of the supported services throughout its proposed designated service area to all customers making a reasonable request for services, as required by 47 C.F.R. § 54.202(a)(1)(i). It should be noted that for CAF recipients, the FCC has waived the 54.202(a)(1)(i) requirement to submit a five year plan for proposed improvements to the applicant's network, and the annual reporting obligations and certifications.¹⁷ VNCI will also offer Lifeline services as required by the FCC's rules at all locations where it has been awarded support in accordance with 47 C.F.R. 54.101(d)

¹⁵ In its *Lifeline Reform Order*, the FCC stated “[i]n this Order, we relieve ETCs of the obligation to offer [toll limitation service (“TLS”)] in the first instance if their Lifeline offering does not distinguish in the pricing of toll and non-toll calls, which may relieve many ETCs of the obligation to offer TLS.” *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training; Lifeline & Link Up Reform & Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket Nos. 11-42, 03-109 and 12-23; CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6759 ¶ 238 (2012) (“*Lifeline Reform Order*”).

¹⁶ 47 C.F.R. § 54.101(a)(2).

¹⁷ Public Notice, WCB Remindss Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier, WC Docket No. 09-197, 10-90, page 4 (Released July 10, 2010).

E. VNCI Will Advertise the Availability of Its Supported Service Offerings and Charges for Such Offerings Using Media of General Distribution

When VNCI's network build-out into the Designated Service Area is completed and operational, VNCI will advertise the availability of, and charges for, its supported service offerings using media of general distribution, and will undertake outreach initiatives to increase consumer awareness of VNCI's service offering in the Designated Service Areas, consistent with all applicable requirements.¹⁸ VNCI currently offers and advertises its services, including those offerings that include all of the supported services, using radio, billboards, print, and Internet, among others. VNCI will use the appropriate media outlets to advertise its service offerings in the Designated Service Area in a manner consistent with the applicable requirements.

F. VNCI Meets the Additional Federal Requirements for Designation as an ETC

1. Certification of Compliance With Applicable Requirements (47 C.F.R. § 54.202(a)(1)(i))

VNCI certifies that it will comply with all applicable requirements related to receipt of high-cost support, consistent with 47 C.F.R. § 54.202(a)(1)(i), as set forth above.

2. Ability to Function in Emergency Situations (47 C.F.R. § 54.202(a)(2))

VNCI has the "ability to remain functional in emergency situations" in accordance with 47 C.F.R. § 54.202(a)(2). VNCI has back-up power (either battery- or generator-supplied) sufficient to ensure functionality in the designated service area without an external power source for a reasonable period of time, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. VNCI technicians and engineers are trained to deploy in response to service outages and emergency situations.

¹⁸ See 47 C.F.R. §§ 54.401-54.417; 54.405(b).

3. Consumer Protection and Service Quality Standards (47 C.F.R. § 54.202(a)(3))

VNCI will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3).

VNCI also provides its customers with other service quality and consumer protection benefits. VNCI is a local company serving the needs of individuals and businesses in the Erie region. VNCI's managers and employees are located in the region and are attuned to market needs in that area. As a result, VNCI has a record of excellence in customer satisfaction. In addition, VNCI maintains policies for consumer privacy protections.

4. Inapplicable Provisions (47 C.F.R. sections 54.202 (a)(4), (a)(5) and (a)(6))

VNCI certifies that it is not seeking designation as an ETC for purposes of receiving support only under 47 C.F.R., Chapter I, Subchapter B, Part 54, Subpart E. Therefore 47 C.F.R. sections 54.202 (a)(4), (a)(5) and (a)(6) are inapplicable to VNCI.

5. Designating VNCI as an ETC is in the public interest (47 C.F.R. § 54.202 (b))

Certifying VNCI as an ETC is clearly in the public interest, because it will permit VNCI to obtain over \$230,000 in federal high-cost support to provide voice and broadband service to areas that currently do not have broadband service. By selecting VNCI as a recipient of CAF II funds, the FCC has recognized that the services that VNCI intends to will advance the goal of universal service and provide needed broadband service to a currently underserved areas. ETC designation will allow VNCI to fulfill the requirements of the CAF II and apply the high cost support in Pennsylvania for the purposes it was intended.

6. Tribal lands (47 C.F.R. § 54.202 (c))

VNCI is not seeking designation as an ETC for any part of Tribal Lands. Therefore, 47 C.F.R. § 54.202 (c) is inapplicable.

7. Lifeline Broadband (47 C.F.R. §§ 54.202 (d) and (e))

VNCI is not seeking designation as Lifeline Broadband Provider. Therefore, 47 C.F.R. §§ 54.202 (d) and (e) are inapplicable.

8. ETC Relinquishment (47 C.F.R. § 54.205)

If at some point in the future VNCI seeks to relinquish its ETC designation, VNCI will comply with the requirements of 47 C.F.R. § 54.205.

9. Rural Telephone Company Study Area (47 C.F.R. § 54.207)

VNCI is not proposing to define a service area served by a rural telephone company to be other than such company's study area. As a result, 47 C.F.R. § 54.207 is not applicable to the company's pending request.

G. VNCI Fulfills the Requirements for CAF II Support Pursuant to 47 C.F.R. § 54.309

Recipients of Connect America Fund Phase II support are required to offer broadband service with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas. VNCI certifies that it will abide by the FCC's rules for broadband service in accordance with 47 C.F.R. § 54.309.

H. VNCI Will Comply With the Applicable Annual Reporting Requirements for High Cost Recipients Pursuant to 47 C.F.R. § 54.313 and 54.316

VNCI certifies that it will comply with the applicable annual reporting requirements for high-cost support recipients as required by 47 C.F.R. § 54.313 and 54.316.

I. VNCI Will Satisfy the FCC's Requirements for ETC Regarding the Lifeline Program, as Set Forth in 47 C.F.R. § 54.400, et. seq.

The FCC's rules require ETCs to make available Lifeline service to qualifying low-income customers, as defined in Section 54.401 of the FCC's rules, and conform to certain minimum service standards for Lifeline supported services. Due to the nature of VNCI's Designated Service Area (primarily, a state park), it is unlikely that there will be any qualifying low-income customers in the Designated Service Area. Nevertheless, VNCI certifies that its proposed voice and broadband offerings in the Designated Service Area will fully comply with the FCC's Lifeline requirements in 47 C.F.R. § 54.400, et. seq.

J. VNCI Will Comply With Pennsylvania's Requirements for Facilities-Based Lifeline ETCs

VNCI will comply with all this Commission's requirements for facilities-based ETCs.¹⁹

1. Section 3019(f) Requirements

VNCI will comply with the requirements for ETC designation contained in Section 3019(f) of the Pennsylvania Public Utility Code (66 Pa. C.S. § 3019(f)) and the *Pennsylvania Lifeline Order*.²⁰ VNCI will provide its Lifeline service to all eligible telecommunications customers who wish to subscribe to such service and who reside within VNCI Designated Service Area. The company also will agree to permit eligible customers to subscribe to any number of its other telecommunications services at the standard rates for such services. VNCI will establish protocols so that whenever a prospective customer in its Designated Service Area seeks to subscribe to VNCI's service, VNCI will explicitly advise the customer of the

¹⁹ See, e.g., *Petition of T-Mobile LLC, T-Mobile Central LLC, and VoiceStream Pittsburgh LP for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Low-Income Support Only*, Docket No. P-2011-2275748, Order (Aug. 30, 2012) (finding that certain conditions that had been applied to reseller Lifeline ETCs are inapplicable to a facilities-based Lifeline provider). VNCI is a facilities-based provider. See *supra* Section II.

²⁰ *In Re: Lifeline and Link-Up Programs*, Docket No. M-0051871, Order (May 23, 2005); 52 PA. CODE § 69.2501.

availability of Lifeline service and shall meet federal requirements to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service. Furthermore, VNCI will inform existing customers of the availability of Lifeline service twice annually by text or email message, in compliance with Section 3019(f)(4). Finally, VNCI will provide the Commonwealth's Department of Public Welfare ("DPW") with its Lifeline service descriptions and subscription forms, contact telephone numbers and a listing of the geographic area or areas it serves for the DPW's use in providing notification under Section 3019(f)(5).

2. Other Pennsylvania Requirements

VNCI commits to comply with relevant requirements set forth in the *Pennsylvania Lifeline Order*, *Tracking Report Order*,²¹ and *Policy Statement*²² that are applicable to a facilities-based provider.

The *Pennsylvania Lifeline Order* contains mandated procedures for certification and verification of customers' initial and continued eligibility for Lifeline service, including the obligation for ETCs to attempt to verify customers' eligibility by referencing the DPW's database of program participation (for programs administered by DPW), through inspection of written documentation of program participation or income, or verification of income level through the Pennsylvania Department of Revenue. This requirement appears to overlap with the new federal rule for verification of consumer eligibility, which requires ETCs to check state or

²¹ *Re: Section 3015(f) Review Regarding Lifeline Tracking Report, Accident Report, and Services Outage Report*, 100 Pa. P.U.C. 553 (Dec. 30, 2005).

²² *Final Policy Statement on Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunications Carrier (ETC) for Purposes of Federal Universal Service Support*, Docket No. M-2010-2164741, Final Policy Statement Order (Aug. 2, 2010).

national eligibility databases where available and otherwise to review documentation of eligibility.²³ VNCI will comply with this requirement to the extent applicable.

The *Tracking Report Order* requires ETCs to report to the Commission annual changes in Lifeline enrollment. VNCI will comply with this requirement to the extent applicable.

Consistent with requirements imposed on other ETCs, VNCI will provide the Commission's Bureau of Consumer Services ("BCS") with a copy of its annual Lifeline verification results that it files with USAC each year, as well as the FCC Form 497 Lifeline customer reporting worksheet (or any successor form) filed quarterly with USAC.

Consistent with conditions imposed on other facilities-based Lifeline ETCs, VNCI is amenable to cooperating with BCS in resolving any consumer-related complaints concerning any Lifeline service that VNCI offers in Pennsylvania. Additionally, VNCI agrees to engage in advertising that is directed at promoting the availability of Lifeline service in its Designated Service Area. VNCI will provide BCS with copies of all advertising, promotional and general Lifeline program-related customer notices and communications on an annual basis.

The PUC also has imposed the requirement on other Lifeline ETCs that they provide operator services, directory assistance and interexchange access (long distance) to Lifeline subscribers. VNCI's customers have the ability to reach directory assistance or operator services. Additionally, given that all of VNCI's Lifeline offerings would include long distance,²⁴ all Lifeline customers are afforded such access.

III. ANTI-DRUG ABUSE CERTIFICATION

VNCI certifies that no party to this petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

²³ 47 C.F.R. § 54.410.

²⁴ *See infra* Section IV.

IV. REQUEST FOR EXPEDITED TREATMENT

As stated above, the FCC requires each CAF II auction winner to obtain ETC status in the relevant states that cover its winning bid areas and must submit required documentation of the designation no later than February 25, 2019. VNCI submits that it has demonstrated that it meets all of the requirements to obtain ETC designation, and that approving its Petition is in the public interest because it would allow VNCI to access high cost support funds to extend broadband services to an understerved area in Pennsylvania. For these reasons, VNCI respectfully requests that the Commission review and approve its Petition on an expedited basis to allow it to meet the FCC's February 25, 2019 deadline.

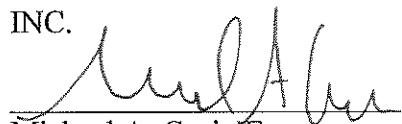
V. CONCLUSION

As discussed above, designation of VNCI as an ETC in the Commonwealth accords with the requirements of Section 214(e)(6) of the Act and is in the public interest. For all of the foregoing reasons, VNCI respectfully requests that the Commission consider this Petition on an expedited basis and designate VNCI as an ETC in the Commonwealth.

Respectfully submitted,

VELOCITY.NET COMMUNICATIONS,
INC.

By:



Michael A. Gruin Esq.
Stevens & Lee
Attorney ID No.: 78625
17 N. 2nd St., 16th Floor
Harrisburg, PA 17101
Tel. (717) 255-7365
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*Counsel for Velocity.Net Communications,
Inc.*

November 27, 2018

EXHIBIT 1

VNCI's CAF II Application



(Print Copy For Reference Only)
Auctions: Form 683

Status: Submitted
Date Received: 10/15/18
File Number: 0008401339

Applicant Information

Legal Classification

Corporation

Applicant Name

Entity Name	Address	Jurisdiction of Formation
Velocity.Net Communications, Inc.	2503 West 15th Street, Suite 10 Suite 10 Erie, PA 16505 United States	Pennsylvania

Responsible Party: Corporation

Name	Phone	Email
Joel Deuterman President / CEO	(814) 835-2737	joel.deuterman@velocitynetwork.net

Contact Information

Name	Phone	Fax	Email	Address
Matthew Wiertel	(814) 835-2731	(814) 835-0009	matt.wiertel@velocitynetwork.net	2503 West 15th Street Suite 10 Erie, PA 16505 United States

Winning Bids ETC Designation

Package/Item Name	ETC	State
PA-049-0004001	Yes	Pennsylvania
PA-049-0011001	Yes	Pennsylvania
PA-049-0112021	Yes	Pennsylvania
PA-049-0115072	Yes	Pennsylvania
PA-049-0117022	Yes	Pennsylvania
PA-049-0124001	Yes	Pennsylvania

Financial Statements


Question	Response
Did the applicant submit audited financial statements with its short-form application?	No
Does the applicant request that the financial statements contained in this application be withheld from public inspection pursuant to section 0.459(a)(4) of the Commission's rules?	Yes

Winning Bids

Winning Bids Attachments

File Name	Type	Description	State	Date Uploaded	Upload Status
VNCI CAFII Auction 903 Initial Project Overview 105118.pdf	Initial Project Overview	VNCI Initial Project Overview	PA	10/15/2018 09:00:43 AM ET	Converted Successfully
VNCI CAFII Auction 903 Network Information 105118.pdf	Technology and System Design Description	Technology and System Design	PA	10/15/2018 09:02:45 AM ET	Converted Successfully
VNCI CAFII Auction 903 Project Funding 105118.pdf	Project Funding Description	Project Funding	PA	10/15/2018 09:32:34 AM ET	Converted Successfully

Winning Bids Summary

 ^X indicates a package (followed by the number of items within the package)

[Show Bid Details](#)

Winning Bid	State	Items	ETC	Status of Support
PA-049-0004001	PA	1	Yes	-
PA-049-0011001	PA	1	Yes	-
PA-049-0112021	PA	1	Yes	-
PA-049-0115072	PA	1	Yes	-
PA-049-0117022	PA	1	Yes	-
PA-049-0124001	PA	1	Yes	-

Certify and Submit

Certify Auction Application

I certify the following:

1. that the applicant is in compliance with all statutory and regulatory requirements.
2. that the applicant is financially and technically qualified to meet the public interest obligations of section 54.309 of Title 47 of the Code of Federal Regulations for each relevant performance tier and latency combination and in each area for which it seeks support.
3. that the applicant will have available funds for all project costs that exceed the amount of support to be received from the Phase II auction for the first two years of its support term and will comply with all program requirements, including service milestones.
4. that the applicant will meet the public interest obligations for each relevant tier, including the requirement that it will offer service at rates that are equal to or lower than the Commission's reasonable comparability benchmarks for fixed services offered in urban areas.
5. that the applicant acknowledges that it must be designated as an Eligible Telecommunications Carrier pursuant to section 214(e) of Title 47 of the United States Code (47 U.S.C. § 214(e)) in the area(s) in which it will receive support prior to being authorized to receive such support. If the applicant has already been designated as an Eligible Telecommunications Carrier in any area(s) in which it will receive support, the applicant has provided a certification of its status in each such area and relevant documentation supporting that certification in this application. If the applicant has not yet been designated as an Eligible Telecommunications Carrier in an area in which it will receive support, the applicant will submit a certification of its status as an Eligible Telecommunications Carrier in each such area and relevant documentation supporting that certification no later than 180 days after the public notice identifying the winning bidders and prior to being authorized to receive such support.
6. that the description of spectrum access in areas for which the applicant will seek support provided in this application to participate in competitive bidding is correct and the applicant will retain such access for at least ten (10) years after the date on which it is authorized to receive support.
7. that the applicant and any party to this application are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
8. that the applicant is aware that if this application is shown to be defective, the application may be dismissed without further consideration and penalties may apply.

I declare, under penalties of perjury, that I am an authorized representative of the above named applicant, that I have read the instructions and the foregoing certifications, and that all matters and things stated in this application, its schedules, and attachments, including exhibits, are true and correct.

Signature

Matthew L Wiertel

Director of Sales / Marketing



(Print Copy For Reference Only)
Auctions: Form 183

Status: Submitted
Date Received: 6/4/18
File Number: 0008153824

Applicant Information

Legal Classification

Corporation

Holding Company Question

Question	Response
Is the applicant a holding company that is submitting its application on behalf of itself and one or more existing operating company?	No

Applicant Name

Entity Name	Address	Jurisdiction of Formation
Velocity.Net Communications, Inc.	2503 West 15th Street, Suite 10 Suite 10 Erie, PA 16505 United States	Pennsylvania

Responsible Party: Corporation

Name	Phone	Email
Joel Deuterman <i>President / CEO</i>	(814) 835-2737	joel.deuterman@velocitynetwork.net

Contact Information

Name	Phone	Fax	Email	Address
Matthew Wiertel	(814) 835-2731	(814) 835-0009	matt.wiertel@velocitynetwork.net	2503 West 15th Street Suite 10 Erie, PA 16505 United States

Authorized Bidders

Name	Phone	Email
Matthew Wiertel	(814) 835-2731	matt.wiertel@velocitynetwork.net
Brad Wiertel	(814) 833-9111 x203	brad.wiertel@velocitynetwork.net

Eligible Telecommunications Carrier (ETC)

Question	Response
Is the applicant, including any of the applicant's parent companies and subsidiaries, currently an Eligible Telecommunications Carrier (ETC)?	No

Question	Response
Did the applicant or any related entity file an FCC Form 477 during the past two years?	Yes

Identify FCC Form 477 FRN(s)

FRN	Name
0015881154	Velocity.Net Communications, INC

FCC Form 499

Question	Response
Did the applicant or any related entity file an FCC Form 499-A in the past year?	Yes

Identify FCC Form 499 Filer ID(s)

Filer ID	Name
826891	Velocity.Net Communications, Inc.

Operational and Financial Information

Question	Response
Has the applicant provided a voice, broadband and/or electric transmission or distribution service for at least two years, or is it a wholly-owned subsidiary of such an entity?	Yes
The applicant certifies that it has provided a voice, broadband and/or electric transmission or distribution service for at least two years, or that it is a wholly-owned subsidiary of such an entity	Yes
Parent Company Name	
Number of years the applicant or its parent company has been operating	12
Has the applicant or its parent company operated only an electric transmission or distribution network, but not provided a voice and/or broadband service, for at least two years?	No
Services that apply	Broadband
The applicant certifies that it or its parent company has submitted FCC Form 477 data as required for the past two years	Yes

Identify the FRN(s) used to submit the FCC Form 477 data for the past two years:

FRN	Entity Name	Date(s) Associated with FCC Form 477 Filing(s)
0015881154	Velocity.Net Communications, INC	30-Jun-2017, 31-Dec-2016, 30-Jun-2016

Has the applicant or its parent company been audited in the ordinary course of business?	No
The applicant certifies that, if it is identified as a winning bidder, it will submit its or its parent company's prior fiscal year audited financial statements no later than 180 days after being announced as a winning bidder	Yes

Question	Response
Does the applicant request that the financial information contained in this application be withheld from public inspection pursuant to Section 0.459(a)(4) of the Commission's rules?	Yes
Enter net income from the applicant or parent company's latest year-end financial statements	[REDACTED]
Enter the total amount of interest expense from the applicant or parent company's latest year-end financial statements	[REDACTED]
Enter the operating margin from the applicant or parent company's latest year-end financial statements	[REDACTED]
Current Assets	[REDACTED]
Current Liabilities	[REDACTED]
Total Equity	[REDACTED]
Total Capital	[REDACTED]

Total Financial Score

Financial Field	Value	Score
TIER	[REDACTED]	1
Operating Margin	[REDACTED]	1
Current Ratio	[REDACTED]	0
Equity Ratio	[REDACTED]	1
Total Financial Score		3

State & Performance Tier/Latency

Initial Eligibility Determinations

State	Performance Tier	Latency	Technology	T+L Weight	Tier-Latency-Technology Eligibility	State Eligibility	Overall Eligibility
Pennsylvania	Gigabit	Low	Optical Carrier/Fiber to the End User	0	No	Yes	Ineligible

Saved Combinations

State	Performance Tier	Latency	Technology	T+L Weight	Tier-Latency-Technology Eligibility	State Eligibility	Overall Eligibility
Pennsylvania	Gigabit	Low	Optical Carrier/Fiber to the End User	0	Pending	Yes	Pending

Agreements

Agreements with Other Parties

- No, the applicant *has not* entered into partnerships, joint ventures, consortia, or other agreements, arrangements, or understandings of any kind relating to the potentially eligible areas being auctioned, including any agreements that address or communicate directly or indirectly bids (including specific prices), bidding strategies (including the specific potentially eligible areas on which to bid or not to bid), or the post-auction market structure, to which the applicant, or any party that controls or is controlled by the applicant, is a party.

Agreements

No agreements have been designated.

Certify and Submit

Certify Auction Application

I certify the following:

1. that the application discloses all real parties in interest to any agreements involving the applicant's participation in the competitive bidding.
2. that the applicant has not entered into any explicit or implicit agreements, arrangements, or understandings of any kind related to the support to be sought through the Connect America Fund Phase II auction, other than those disclosed in this application.
3. that the applicant, each party capable of controlling the applicant, and each party that may be controlled by the applicant or by a party capable of controlling the applicant have complied with and will continue to comply with section 1.21002 of Title 47 of the Code of Federal Regulations.
4. that the applicant is in compliance with all statutory and regulatory requirements for receiving the universal service support that the applicant seeks, or that the applicant acknowledges that it must be in compliance with such requirements before being authorized to receive support.
5. that the applicant will make any payment that may be required pursuant to section 1.21004 of Title 47 of the Code of Federal Regulations.
6. that the applicant is financially and technically qualified to meet the public interest obligations of section 54.309 of Title 47 of the Code of Federal Regulations for each relevant performance tier and latency combination and in each area for which it seeks support.
7. that the applicant acknowledges that it must be designated as an eligible telecommunications carrier for the area in which it will receive support prior to being authorized to receive support.
8. that, to the extent the applicant plans to use spectrum to offer its voice and broadband services, the applicant will retain such access for at least ten (10) years from the date of the funding authorization.
9. that the applicant acknowledges that it has sole responsibility for investigating and evaluating all technical, marketplace, and regulatory factors that may have a bearing on the level of Connect America Fund Phase II support it submits as a bid, and that, if the applicant wins support, it will be able to build and operate facilities in accordance with the Connect America Fund obligations and the Commission's rules generally.
10. that the applicant acknowledges that it cannot place any bids in the same state as (i) another commonly controlled entity; (ii) another party to a joint bidding arrangement related to Connect America Fund Phase II auction support that it is a party to; or (iii) any entity that controls a party to such an arrangement.
11. that the applicant and any party to this application are not subject to a denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.
12. that the applicant is aware that if this application is shown to be defective, the application may be dismissed without further consideration and penalties may apply.

I declare, under penalties of perjury, that I am an authorized representative of the above named applicant, that I have read the instructions and the foregoing certifications, and that all matters and things stated in this application, its schedules, and attachments, including exhibits, are true and correct.

Signature

Matthew L Wiertel

Director of Sales and Marketin

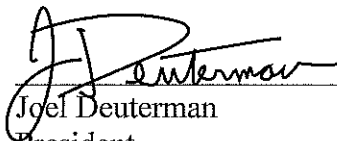
EXHIBIT 2

Census Blocks For Which CAF II Support Was Awarded to VNCl

PA-049-0004001
PA-049-0011001
PA-049-0112021
PA-049-0115072
PA-049-0117022
PA-049-0124001

VERIFICATION

I, Joel Deuterman, President of Velocity.Net Communications, Inc., verify that the information provided in the foregoing Petition for Designation as an Eligible Telecommunications Carrier is true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. § 4904, relating to unsworn falsifications to authorities.

A handwritten signature in black ink, appearing to read "Joel Deuterman", written over a horizontal line.

Joel Deuterman
President
Velocity.Net Communications, Inc.

Date: November 26, 2018

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of November, 2018 copies of the foregoing Petition have been served upon the persons listed below via First Class U.S. Mail in accordance with the requirements of 52 Pa. Code Sections 1.54 and 1.55.

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Office of Attorney General
Office of Consumer Protection
Strawberry Square
Harrisburg, PA 17120

Pennsylvania Public Utility Commission
Law Bureau
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

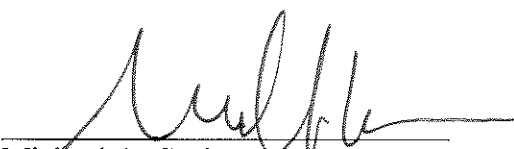
Gladys Brown, Chairman
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, Room N-304
400 North Street
Harrisburg, PA 17120

Andrew Place, Vice-Chairman
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, Room N-305
400 North Street
Harrisburg, PA 17120

David W. Sweet, Commissioner
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, Room N-307
400 North Street
Harrisburg, PA 17120

John F. Coleman, Jr., Commissioner
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, Room N-306
400 North Street
Harrisburg, PA 17120

Norman J. Kennard, Commissioner
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor, Room N-308
400 North Street
Harrisburg, PA 17120



Michael A. Gruin, Esq.