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Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., SW  
Washington, DC 20554

**Re: *Connect America Fund*, WC Docket No. 10-90**

In a June 10 *ex parte* letter, AT&T Services, Inc., on behalf of its affiliate AT&T Mobility, expressed concern with two aspects of the Alaska Telephone Association's (ATA) so-called Alaska Plan applicable to wireless carriers.<sup>1</sup> In an *ex parte* letter posted on the Commission's website on June 27, GCI perhaps intended to address AT&T's concerns but, as we explain below, it did not.<sup>2</sup>

The first concern AT&T raised in its June 10 Letter related to ATA's proposal to eliminate and redirect AT&T Mobility's high-cost support to other carriers in Alaska on an expedited basis. AT&T explained that AT&T Mobility (in Alaska and elsewhere), like most other competitive eligible telecommunications carriers (CETCs), is subject to a phase down in high-cost support pursuant to 47 C.F.R. § 54.307(e)(2). As the Commission knows, in its 2011 *Transformation Order*, the Commission adopted rules to phase out CETC frozen support so that the funding may be repurposed to meet the Commission's broadband objectives. According to GCI, the Alaska Plan proposes to phase out AT&T Mobility's support "just as it would have been upon implementation of Mobility Fund Phase II (including Tribal Mobility Fund Phase II) – for which the Alaska Plan is an alternative tailored to the needs of Alaska."<sup>3</sup> GCI erroneously assumes that when a CETC's support is phased down in accordance with section 54.307(e)(2) of the Commission's rules, that support remains in the state where the CETC had received it. That is not correct. ATA has proposed a budget for its Alaska Plan and if the Commission adopts that budget, it should fund the Alaska-specific program just like any of its other USF programs. It should not, as GCI suggests, "raise" the funding by selectively eliminating a carrier's high-cost support in a

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<sup>1</sup> Letter from Mary Henze, AT&T, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed June 10, 2016) (June 10 Letter). AT&T expresses no opinion on the provisions of the Alaska Plan that apply to rate-of-return carriers. See also Letter from Christine O'Connor, Alaska Telephone Association, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed March 21, 2016).

<sup>2</sup> Letter from John Nakahata, Counsel to GCI, to Marlene Dortch, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (dated June 24, 2016).

<sup>3</sup> *Id.* at 4.

state in order to redirect that same support to the carrier's competitors in that state through a non-competitive process. If it does so the Commission would arbitrarily and unfairly be disadvantaging one carrier over others, in contravention of its universal service competitive neutrality principle. AT&T opposes any such effort.

Second, AT&T expressed concern with ATA's request that the Commission discriminate against two specific wireless carriers (AT&T Mobility and Verizon Wireless) and codify that discriminatory treatment in its rules. In our June 10 Letter, AT&T noted that ATA and GCI had failed to offer any explanation for why the Commission should single out these two carriers for the Alaska Plan's proposed discriminatory treatment. Instead, AT&T recommended that the Commission exclude all areas currently served with 4G LTE service from continued CETC funding, regardless of the identity of the service provider. In the event a wireless carrier claims that continued funding is necessary for it to maintain its 4G LTE service *and* it is the only provider in that area of 4G LTE service, AT&T explained that the Commission contemplated exactly this scenario in 2011 and established a waiver process through which the wireless carrier may request and receive continued funding in such areas. In its recent *ex parte* filing, GCI does not address AT&T's suggestion. Instead, it states that "the ATA members had concluded that Alaska was not a suitable environment" in which to limit support to one CETC per area.<sup>4</sup> In a similarly self-serving statement, GCI states that non-AT&T CETCs in Alaska should never be subject to a competitive process for funding because doing so would jeopardize holistic plans these CETCs will have with affiliated wireline carriers.<sup>5</sup> If the Commission finds this argument credible, then it should apply that same reasoning to the Lower 48: This would mean that there cannot be a Mobility Fund Phase II competitive bid process in areas where AT&T accepted the Connect America Fund (CAF) Phase II state-level commitment, which we have in 18 states. Instead, the Commission must grant AT&T funds to complete or maintain its 4G LTE service in Mobility Fund Phase II-eligible areas that are also in CAF Phase II areas so as not to interfere with AT&T's "holistic plans." Of course, AT&T would never suggest that the Commission adopt such an unprincipled proposal. Simply because ATA's plan has the word "Alaska" in the title, does not give the Commission a pass on ignoring the universal service principles it has adopted over the past five years.

In any event, GCI concedes that few, if any, areas have 4G LTE service provided by more than one CETC.<sup>6</sup> Since that is the case, then GCI and ATA should have no issue with AT&T's proposal to exclude *any* area served by 4G LTE service from continued funding. Instead, that funding should be targeted to areas that lack 4G LTE service today. As we explained in our June 10 Letter and

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<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* According to GCI, based on December 2014 data, there are "no census blocks where multiple Alaska Plan signatories offer LTE." *Id.* Of course, GCI was careful not to include *non*-Alaska Plan signatories in its analysis and statement.

repeated above, to the extent a CETC asserts that it cannot maintain its existing 4G LTE service without funding and it is the only provider of 4G LTE service in that area, then it may avail itself of the Commission's waiver process detailed in its *Transformation Order*. AT&T believes that this approach best complies with the Commission's universal service goals while still allowing the Commission to respond to any Alaska-specific challenges to deploying and maintaining 4G LTE service.

Please feel free to contact me should you have any questions about this matter.

Sincerely,

*/s/ Mary L. Henze*

Mary L. Henze

cc: Alex Minard  
Peter Trachtenberg