

GCI Revised Proposal For Interim Alaska Wireless CETC Support

For communities with wireless service. Patterned after the FCC's freeze for non-contiguous state price-cap ILECs in CAF Phase II, an Alaska alternative for Mobility Fund/Tribal Mobility Fund Phase II would begin by freezing the \$78 million in Alaska Remote Support at the current level for five years.¹ This support would be used to support current and upgraded mobile voice and broadband service.

- Existing Remote Alaska support would be frozen on a company basis at the 2014 annual levels and distributed in a block amount.²
- All Remote Alaska CETCs that elected this support would be required to use that support for mobile voice and wireless services, irrespective of the legacy origin of that support.³ Accordingly, no Remote Alaska CETC support would support wireline voice or broadband.
- A CETC electing frozen support would have to demonstrate that it was using that support to provide mobile voice and broadband services in areas that are not receiving LTE service from AT&T or Verizon.⁴ This focuses frozen support on areas that are likely to need such support, much as the Commission proposes that a non-contiguous price-cap ILEC electing frozen support in lieu of CACM-based support will have to demonstrate that it used its support in areas not already served by fixed broadband and voice meeting the Commission's requirements.
- GCI would work with the Bureau to define specific performance requirements sufficient to demonstrate this, focusing on providing service to eligible locations, which has the advantage of being measurable and administrable, as opposed to the historical and indisputable difficulties with extensive cost reviews. The up to seven other Alaska CETCs would have to work out their accountability plans with the Bureau.

For communities without any wireless service. The Commission would conduct a reverse auction of up to \$27 million per year in support for carriers that would commit to deploying mobile broadband service in those communities at the level of 768 Kbps down/256 Kbps up.⁵ This would target support specifically to these unserved communities, would provide a way for service to be introduced into these communities without duplicative support, and would be phased up as legacy non-Remote Alaska CETC support is phased down or otherwise terminated.

After 5 years. During this five-year interim period, the Commission would determine the most appropriate successor mechanism for both the served and unserved areas that are not served by AT&T or Verizon LTE. One such mechanism could be a reverse auction for all such areas.

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- ¹ See *Connect America Fund, et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 14-54, WC Docket No. 10-90, *et al.*, ¶ 256 (rel. June 10, 2014) (“FNPRM”).
- ² See *id.* ¶ 250 (“we propose to freeze support for wireless providers serving remote areas in Alaska as of December 31, 2014, and to maintain those frozen support levels until a specified date after winning bidders are announced for ongoing support under Tribal Mobility Fund Phase II or Mobility Fund Phase II, with that date depending on whether wireless providers become winning bidders of such support”); see also *id.* ¶¶ 256-57.
- ³ All GCI CETC support, irrespective of legacy divisions between mobile and wireline, and all ACS Wireless support would be treated as support to a single company, as all support would flow to their jointly owned Alaska Wireless Network. See *Applications of GCI Communications Corp., ACS Wireless License Sub, Inc., ACS of Anchorage License Sub, Inc., & Unicom, Inc. for Consent to Assign Licenses to the Alaska Wireless Network, LLC*, 28 FCC Rcd. 10433 (2013).
- ⁴ See FNPRM ¶¶ 244, 256.
- ⁵ To the extent that a CETC decided to forego frozen support or was required to repay support because of failure to meet performance objectives, that support could be added to the support for unserved areas.