

EX PARTE OR LATE FILED

REDACTED – FOR PUBLIC INSPECTION

SQUIRE 
PATTON BOGGS

Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037

O +1 202 457 6000
F +1 202 457 6315
squirepattonboggs.com

Accepted / Filed

MAR 11 2015

Federal Communications Commission
Office of the Secretary

Monica S. Desai
T +1 202 457 7535
Monica.desai@squirepb.com

March 11, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **REDACTED – FOR PUBLIC INSPECTION**
Adak Eagle Enterprises, LLC Request for Confidential and Notice of
Ex Parte

Dear Ms. Dortch:

On behalf of Adak Eagle Enterprises, LLC (“AEE”), which includes Adak Telephone Utility and Windy City Cellular, LLC (“the companies”), pursuant to the procedures outlined in the Third Protective Order adopted in the above referenced proceedings,¹ please find enclosed a Request for Confidential Treatment and two (2) copies of the Redacted version of the companies’ Notice of Ex Parte for March 11, 2015. The [[]] symbols denote Confidential Information. The companies are also submitting one (1) copy of the Confidential version of the filing to the Office of the Secretary, and two (2) additional copies of the Confidential version of this filing are being delivered as directed by Commission staff.

¹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Third Protective Order (Aug. 23, 2010).

44 Offices in 21 Countries

Squire Patton Boggs (US) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

No. of Copies rec'd 0+1
List ABCDE

REDACTED – FOR PUBLIC INSPECTION

Squire Patton Boggs (US) LLP

March 11, 2015

Page 2

Should you have any questions concerning the foregoing information, please contact the undersigned.

Respectfully submitted,



Monica S. Desai
Squire Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
202-457-7535
*Counsel to Adak Eagle Enterprises, LLC
and Windy City Cellular, LLC*

March 11, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: **Request for Confidential Treatment – Adak Eagle Enterprises, LLC in
CC Docket No. 01-92, WC Docket Nos. 05-337, 07-135 AND 10-90
AND GN Docket No. 09-51 Before the Federal Communications
Commission**

Dear Ms. Dortch,

On behalf of Adak Eagle Enterprises, LLC (“AEE”), which includes Adak Telephone Utility and Windy City Cellular, LLC (“the companies”), and in accordance with the Third Protective Order in the above referenced proceedings¹ and Federal Communications Commission (FCC or Commission) rules – specifically, Section 0.459² of the Commission’s rules – the companies request Confidential Treatment of certain information located in the attached Notice of Ex Parte. The [[]] symbols denote Confidential Information.

(1) Identification of the specific information for which confidential treatment is sought.

The symbols [[]] denote confidential information. All of the information designated as Confidential Information being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.³ The Confidential information contains proprietary commercial and financial information that is not customarily disclosed to the public or within the industry. This includes information about revenue and expense data that would cause harm to the companies if disclosed. Accordingly, pursuant to Section

¹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Third Protective Order (Aug. 23, 2010).

² 47 C.F.R. § 0.459.

³ 5 U.S.C. § 552(b)(4).

March 11, 2015

Page 2

0.459(a) of the Commission's rules, the companies request that such information not be made routinely available for public inspection.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.

The information is being provided to the Commission as an update in relation to the petitions for waiver filed by AEE and WCC⁴ of Section 54.302 of the Universal Service Fund and Intercarrier Compensation reform rules adopted by the Commission as part of its November 18, 2011 Report and Order.⁵

(3) Explanation of the degree to which the information is commercial or financial or contains a trade secret or is privileged.

The Confidential information contains proprietary commercial and financial information that is not customarily disclosed to the public or within the industry. This includes information about revenue and expense data that would cause harm to the companies if disclosed.

(4) Explanation of the degree to which the information contains a service that is subject to competition.

The data and information contained in the Confidential Information being provided to the Commission describe the business and operational details of the companies' services provided on Adak Island in Alaska. All of the Confidential Information concerns the provision of competitive voice and broadband services. Indeed, Alaska Wireless competes to provide communications services in the downtown area of Adak.

(5) Explanation of how disclosure could result in substantial competitive harm.

The presence of competition in downtown Adak and the likelihood of competitive injury threatened by release of the information provided to the Commission by the companies should compel the Commission to withhold the Confidential Information from public disclosure. The Commission has provided assurances that it is "sensitive to ensuring

⁴ Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90 et al. (May 22, 2012); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90 et al. (Apr. 3, 2012).

⁵ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (Report and Order).

March 11, 2015

Page 3

that the fulfillment of its regulatory responsibilities does not result in the unnecessary disclosure of information that might put its regulatees at a competitive disadvantage.”⁶

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure.

In order to prevent unauthorized disclosure of the subject information, and pursuant to the Protective Order issued in these proceedings, the companies are filing a confidential version of this filing with the Secretary. The companies take routine measures to ensure the confidentiality of this information during normal business operations.

(7) Identification of whether information is available to the public and the extent of any previous disclosure of the information to third parties.

The data and information contained in the Confidential Information are not available to the public or to any third parties.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure.

As noted in response (1) above, all the data and information being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.⁷ Consequently, the companies would never make this information available publicly due to its sensitive and proprietary nature. For this reason, the companies respectfully request that the Commission protect this information from public disclosure in perpetuity.

(9) Any other information that the party seeking confidential information believes may be useful in assessing whether its request for confidentiality should be granted.

The Confidential Information contains proprietary commercial and financial information, which the companies will forever keep confidential. Because of the competitive sensitivity of the Confidential Information, the companies seek confidential treatment indefinitely.

Should you have any questions concerning the foregoing request, please contact the undersigned.

⁶ *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, Report and Order, 13 FCC Rcd 24816, ¶ 8 (1998).

⁷ 5 U.S.C. § 552(b)(4).

Squire Patton Boggs (US) LLP

March 11, 2015

Page 4

Respectfully submitted,



Monica S. Desai
Squire Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
202-457-7535
*Counsel to Adak Eagle Enterprises, LLC
and Windy City Cellular, LLC*

REDACTED – FOR PUBLIC INSPECTION

SQUIRE 
PATTON BOGGS

Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037

O +1 202 457 6000
F +1 202 457 6315
squirepattonboggs.com

Monica S. Desai
T +1 202 457 7535
Monica.desai@squirepb.com

March 11, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Notice of Ex Parte – WC Docket No. 10-90 and WT Docket No. 10-208
Adak Eagle Enterprises and Windy City Cellular**

Dear Ms. Dortch:

On Monday, March 9, Monica Desai, counsel to Adak Eagle Enterprises, LLC (“AEE”), which includes Adak Telephone Utility and Windy City Cellular, LLC (“the companies”), communicated with the following staff of the Federal Communications Commission regarding a new development that would result in significant cost savings for the companies pending Commission approval: Suzanne Yelen (Assistant Division Chief, Industry Analysis and Technology Division), Joseph Sorresso (Telecommunications Analyst, Wireline Competition Bureau), Michael Janson (Front Office Legal Advisor, Wireless Telecommunications Bureau), Daniel Alvarez (Legal Advisor, Office of the Chairman), Julie Veach (Bureau Chief, Wireline Competition Bureau), and Carol Matthey (Deputy Bureau Chief, Wireline Competition Bureau). The communication was via email, a copy of the email is affixed as Attachment 1.

Ms. Desai informed staff that the Aleut Corporation (“Aleut”), the lessor for three warehouses rented by the companies, had agreed to amend the lease to allow it to terminate on [REDACTED]. This will allow the companies to move forward with the more efficient solution of using one building for multiple purposes, including housing equipment and maintenance operations.

As the companies have previously discussed with staff, the cost savings in permitting Adak to move forward with the Rural Utilities Service (RUS)-approved construction of a

44 Offices in 21 Countries

Squire Patton Boggs (US) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Squire Patton Boggs (US) LLP

March 11, 2015

Page 2

single warehouse would be substantial.¹ After discussing the amendment to the lease in detail with Aleut, the companies have determined that terminating the lease and consolidating operations in a new warehouse could result in long-term savings of [REDACTED] per year starting in 2016. Beginning in 2025, the warehouse will help in saving approximately [REDACTED] a year by allowing the companies to move its Central Office Switch to the new warehouse and eliminating its Central Office lease with Aleut. In addition to these substantial long-term cost savings, the companies ask staff to note that they had already made substantial expenditures of [REDACTED] toward construction of the warehouse after RUS approved the loan but before the FCC cut funding through the USF/ICC Transformation Order,² including [REDACTED] in concrete already on location that will ruin if not used in the near future.

The current leased properties are insufficient for AEE's operations. AEE's mechanic is forced to work in a rental space that is unheated and leaks, which places AEE's valuable equipment at risk. The base of the leased warehouse has rusted and eroded away so badly in parts that rodents are able to get into the warehouse. Additionally, the rental space is too small, and as a result, some materials must be housed outside, exposed to Adak Island's severe and damaging weather.

Construction of a centrally located, heated facility would save the company from having to replace materials and equipment ruined by the weather, and would allow the companies to consolidate all of their operations on Adak Island, thereby leading to greater efficiency across all aspects of the business. This is a fiscally sound and sensible long-term investment that would result in savings across the board.

Counsel to the companies will submit the lease into the record once it is available. In the interim, find affixed as Attachment 2 an affidavit of Larry Mayes, President and CEO of AEE, which attests to Aleut's agreement to amend the lease and the substantial cost savings that will result from the construction of the warehouse.

¹ See Response of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC to the Commission's August 12, 2014 Letter, WC Docket No. 10-90, *et al.*, at 7 (Aug. 22, 2014)

² See *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011).

REDACTED – FOR PUBLIC INSPECTION

Squire Patton Boggs (US) LLP

March 11, 2015

Page 3

Respectfully submitted,



Monica S. Desai
Squire Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
202-457-7535
*Counsel to Adak Eagle Enterprises, LLC
and Windy City Cellular, LLC*

cc:

Suzanne Yelen
Joseph Sorresso
Michael Janson
Daniel Alvarez
Julie Veach
Carol Matthey

Squire Patton Boggs (US) LLP

March 11, 2015

Page 4

ATTACHMENT 1

From: Desai, Monica S.
Sent: Monday, March 09, 2015 6:18 PM
To: Suzanne Yelen; Joseph Sorresso; michael.jansen@fcc.gov
Cc: Daniel Alvarez; Julie Veach; Carol Matthey
Subject: RE: Adak - good news
Importance: High

Well at least a tiny bit of good news –

On one of our last calls related to Adak, Mr. Mayes mentioned that he was trying to terminate the lease with the Aleut corporation related to the three warehouses, so that the company could move forward with the more efficient solution of having one building that can be used for multiple purposes, including storing all of their equipment in a heated facility, and where their technicians could also work. The monthly cost of this will be less than the combined monthly cost associated with leasing three facilities. The Aleut corporation has now agreed to amend the lease to allow it to terminate on [REDACTED]. As soon as we have the document in hand we will put it in the record.

We are hoping to get the updated lease in the next few days, but if you need something on this point sooner, I can put an affidavit into the record from Mr. Mayes or Ms. Weaver on this point tomorrow, along with a copy of this email, and we can supplement the record as soon as we have the lease in hand.

Do you have any further information on status of the order on circulation or the possibility of extended interim funding? The last settlement payment was the last that included funding under the interim funding order. The next settlement payment will not have any supplemental funding, absent either an extension of the interim funding order or a final order.

Thank you,
Monica



Monica S. Desai
Partner
Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037
T +1 202 457 7535
O +1 202 457 6000
F +1 202 457 6315
Monica.Desai@squirepb.com | squirepattonboggs.com

Squire Patton Boggs (US) LLP

March 11, 2015

Page 5

ATTACHMENT 2 – DECLARATION OF LARRY MAYES

I, Larry Mayes, declare that the following is true and correct to the best of my knowledge and belief:

1. I am the President and CEO of Adak Eagle Enterprises (“AEE”).
2. Currently, AEE leases three warehouses from the Aleut Corporation (“Aleut”) for a monthly payment of [REDACTED] (the “lease”).
3. On [REDACTED], Melvin Smith, Operations Manager of Aleut, informed me by email that the Aleut Corporation Board of Directors had agreed to amend the lease to allow it to terminate on [REDACTED].
4. AEE is seeking termination of the Aleut lease in order to construct a new warehouse and consolidate AEE’s operations. AEE received approval for a Rural Utilities Service (RUS) loan to construct a warehouse. The cost of completing construction of AEE’s planned warehouse would be approximately [REDACTED].
5. After approval of the RUS loan but before funding was cut by the FCC, AEE made significant capital expenditures of [REDACTED] toward construction of the warehouse, including [REDACTED] in concrete already on location that will ruin if not used in the near future.
6. Based on discussions with Aleut and calculations made by myself and Andilea Weaver, Vice President and Chief Operating Officer of AEE, AEE has concluded that construction of the warehouse and consolidation of AEE’s operations could result in savings of [REDACTED] per year starting in 2016. Savings will rise to [REDACTED] a year beginning in 2025 when AEE will be able to move its Central Office Switch to the new warehouse and eliminate its Central Office lease with Aleut.
7. The current leased properties are insufficient for AEE’s operations. AEE’s mechanic currently works in a rented space that is unheated and leaks. The base of the leased warehouse has rusted and eroded away so badly in parts that rodents are able to get into the warehouse. Because AEE’s current rental space is too small to house all of its equipment, certain AEE equipment is stored outside and is exposed to the severe and damaging weather.

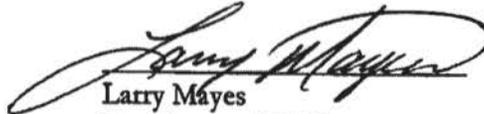
REDACTED – FOR PUBLIC INSPECTION

Squire Patton Boggs (US) LLP

March 11, 2015

Page 6

I declare the foregoing under penalty of perjury. Executed on this 11th day of March, 2015.

A handwritten signature in black ink, appearing to read "Larry Mayes", written in a cursive style.

Larry Mayes

President and CEO

Adak Eagle Enterprises, LLC

Windy City Cellular, LLC

1410 Rudakof Circle

Anchorage, Alaska 99508