

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20544**

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| In the Matter of                       | ) |                      |
|  | ) | WC Docket No. 05-337 |
| High-Cost Universal Service Support    | ) |                      |
|  | ) | CC Docket No. 96-45  |
| Federal-State Joint Board on Universal | ) |                      |
| Service                                | ) |                      |
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**COMMENTS OF UNICOM, INC.**

In response to the Notice of Proposed Rulemaking released May 14, 2007, Unicom, Inc. (Unicom) files these comments regarding the Joint Board's proposal to modify the Commission's rules relating to the distribution of high-cost universal service support.

Unicom operates as a wireless telephony provider in rural areas of Alaska. Unicom is the sole wireless provider in sixteen rural communities, and Unicom has seen first hand the difficulty and expense in providing wireless services to villages with few access lines, but great need for service. Because the residents in these areas often depend on subsistence activities that include extended stays at hunting or fishing camps, wireless service has provided a vital communications link to family members and emergency services. Unicom is currently in the process becoming an eligible telecommunications carrier (ETC) so that this important service can be delivered.

While Unicom recognizes the growth in the Universal Service Fund (USF) is mainly due to the multitude of competitive ETCs (CETCs) currently sprouting in markets, it also recognizes that not all are superfluous. For instance, in Unicom's serving area there are no other wireless carriers providing service. In other more densely populated yet still rural areas in Alaska, there are areas with as many as five CETCs vying for business in a town with a population of less than 2,000. Rather than allow the identical support rule to continue to make unprofitable markets look attractive to low cost CETCs with no carrier of last resort responsibility, Unicom urges the Commission to follow a path requiring the same cost data of all carriers. While Unicom supports the Joint Board recommendation of placing a cap on CETC support, Unicom also urges the Commission to begin creating a process whereby CETCs can file cost data that would justify the support for each individual carrier. Verifiable cost based support for a CETC should then not fall under the cap proposed by the joint board.

This process would be relatively straightforward for wireline CETCs, as they generally have the same equipment as the wireline ILEC and should be able to follow the same accounting and separations rules that result in calculated support. For wireless carriers, some adjustments to USF calculation rules will need to be made to recognize different types of equipment and to expand language to include service outside of the typical wireline.

If all carriers were required to file cost data to justify support, Unicom believes the USF would shrink to a sustainable size. Therefore, there is no need to extend the cap to any entities other than CETCs. Additionally Unicom supports the joint board's

