

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	

COMMENTS OF GENERAL COMMUNICATION, INC.

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SUMMARY

As General Communication, Inc. (“GCI”) and others have asserted several times in this docket, and as the Government Accounting Office and the U.S. Office of Management and Budget have recognized for years, to effectively reform the high-cost support program, the Commission must first define fundamental statutory terms according to specific outcomes, develop measurable performance standards, and collect the data necessary to determine whether and where the standards are being met.

Specifically, the Commission must define in measurable terms the three key statutory criteria that universal service be “affordable,” available at “reasonably comparable” rates, and that support be “sufficient” to achieve those objectives. Following this Notice of Inquiry (“*High-Cost NOI*”) and subsequent rulemakings, the Commission must have a process to determine whether a particular rate in a particular area is “affordable” and “reasonably comparable,” and at what level the rate would breach either statutory criteria. The Commission must also collect the data necessary to target support to areas that lack congressionally mandated access to advanced telecommunications and information services, such as the nation’s tribal lands and Alaska Native Regions. Without such information, the Commission cannot determine whether the universal service support is insufficient, adequate, or excessive.

After defining the desired universal service outcomes, the Commission must implement mechanisms to achieve those outcomes. Those mechanisms should, in turn, encourage rather than stifle marketplace competition as the most cost-effective and flexible means of achieving the program’s objectives. GCI’s experience in Alaska has consistently demonstrated that competition, not regulation, is the impetus for new or

improved service. For instance, GCI is now deploying a modern wireless network to Alaska's most rural communities that are not on the road network. Consumers have responded favorably, thus forcing ILECs to similarly expand their offerings to compete with GCI. Limiting such competition through high-cost "reform" will only exacerbate the divide between rural and urban consumers.

None of the proposals discussed in the *High-Cost NOI* adequately endeavor to define the statutory objectives, and two of the proposals contemplate limitations on the very competition that will most effectively expand universal service to "*all regions* of the Nation," including high-cost areas and tribal lands. Thus, rather than adopt any of those proposals, the Commission should finally determine what the high-cost fund should be supporting and at what levels, collect the data necessary to evaluate whether those goals are being met, and encourage competition to meet those goals.

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Introduction

Although General Communication, Inc. (“GCI”) receives no High-Cost Model (“HCM”) support and the only non-rural study area in Alaska is Anchorage, GCI responds to this Notice of Inquiry (“*High-Cost NOI*”) because it addresses fundamental statutory definitions and the core outcomes that the high-cost support mechanisms, of which HCM is only one, seek to achieve. As GCI has previously commented, it makes no sense to reform the high-cost support mechanisms without first defining the desired outcomes, so that policymakers, consumers, and carriers can determine where the outcomes can be met without support, and where additional support is needed. Today the High-Cost Support Mechanism, including the HCM in non-rural areas, may well distribute too much support in some areas and too little support in others.

To determine where support is too much, too little, or just right, the Commission must define in concrete, measurable terms, the three key statutory criteria that universal service be “affordable,” available at “reasonably comparable” rates, and that support be “sufficient” to achieve those objectives. Sufficiency cannot be given meaning without

defining both “affordability” and “reasonable comparability.” The Commission must emerge from this inquiry and subsequent rulemakings with the ability to determine whether a particular rate in a particular area is “affordable” and “reasonably comparable,” *and* at what level the rate would breach either statutory criteria. The Commission must also be able to target support to areas that lack congressionally mandated access to advanced telecommunications and information services, such as the nation’s tribal lands and Alaska Native Regions. Otherwise, the Commission cannot determine whether the universal service support is insufficient, adequate, or excessive.¹

Once the Commission has defined the desired universal service outcomes, it must implement mechanisms to achieve those outcomes. In so doing, the Commission should continue to recognize that competition increases the ability to achieve those objectives dynamically and cost-effectively. Alaska has time and again seen new or improved service introduced first by competitors and only later by incumbents. As only the most recent example, GCI is now deploying a modern wireless network to Alaska’s most rural communities that are not on the road network. Consumer reaction has been tremendous, and ILECs are only now beginning to upgrade their own offerings in response. The competitive engine is no less important in delivering modern services to rural America as it is in urban communities, and shutting out competition from rural areas in the name of universal service would erect a permanent technological divide between rural and urban consumers.

¹ As the Fifth Circuit recognized, “sufficiency” encompasses both whether support is too much as well as too little. *See Alenco Communications Inc. v. Fed. Communications Comm’n*, 201 F. 3d 608, 620 (5th Cir. 2000).

I. The Commission Cannot Effectively Reform Any Part of the High-Cost Fund Without Concretely Defining the Statutory Outcomes to be Achieved and Cannot Assess Where Those Outcomes Are Met Without Collecting the Necessary Data.

Section 254(b) sets forth six specific principles that focus on one core objective – access to quality services, including advanced telecommunications and information services, in all regions of the country, at rates that are affordable and “reasonably comparable to rates charged for similar services in urban areas.”² To ensure that this objective is fulfilled, Section 254(b) requires “specific, predictable and sufficient” support mechanisms supported by equitable and non-discriminatory contributions of all providers of telecommunications services.³ Although the Commission long ago defined the voice services that it would support, it has never concretely defined the rate levels that are considered to be “affordable” and “reasonably comparable” and, thus, cannot determine whether support is “sufficient.” As the Tenth Circuit has directed and as the *High-Cost NOI* recognizes, the Commission must now define these key statutory terms and should do so in ways that are measurable and permit transparent assessment.

The need for such outcomes, definitions, and measures is well documented. In 2005, the U.S. Office of Management and Budget found that the high-cost fund “lacks measures and goals to assess performance” and, further, that “the program does not measure the impact of funds on telephone subscribership in rural areas or other potential measures of program success, nor does it base funding decisions on measureable

² 47 U.S.C. § 254(b)(1)–(3), (6).

³ 47 U.S.C. § 254(b)(4)–(5).

benefits.”⁴ More recently, in June 2008, the Government Accounting Office (“GAO”) issued a report entitled “FCC Needs to Improve Performance Management and Strengthen Oversight of the High-Cost Program,” which found that “12 years after the passage of the 1996 Act and after distributing over \$30 billion in high-cost program support, FCC has yet to develop specific performance goals and measures for the program,”⁵ and “has not developed outcome-based performance measures for the program.”⁶ The Commission, the GAO concluded, “should first clearly define the goals of the high-cost program and subsequently develop quantifiable performance measures.”⁷ Even more recently, in March 2009, the GAO released a report regarding the E-Rate program that found the same problems, this time in a different USF program, concluding again that the “FCC does not have performance goals . . . and its performance measures are inadequate.”⁸

The Commission itself has also recognized the need for “the implementation of *meaningful performance measures*” and that “[c]learly articulated goals and reliable performance data allow the Commission and other stakeholders to assess the

⁴ Office of Management and Budget, Universal Service Fund High Cost Program Assessment (2005) <http://www.whitehouse.gov/omb/expectmore/summary/10004451.2005.html>.

⁵ United States Government Accountability Office, *FCC Needs to Improve Performance Management and Strengthen Oversight of the High-Cost Program*, at 5 (2008).

⁶ *Id.* at 25.

⁷ *Id.* at 6.

⁸ United States Government Accountability Office, *Long Term Strategic Vision Would Help Ensure Targeting of E-rate Funds to Highest Priority Users*, at i (2009).

effectiveness of the USF programs and to determine whether changes are needed.”⁹

Despite seeking comment on the issue almost four years ago in this very docket, the Commission has yet to adequately define the key statutory terms “reasonably comparable” and “sufficient.”¹⁰ As GCI pointed out at the time,¹¹ and as others continue to acknowledge, the Commission must define these terms based on the specific services, subscribership, and rate levels sought in the marketplace. These goals must be defined to assess the current program and any reform measures.

A. The Commission Must Define the Key Statutory Terms According to Specific Outcomes.

The only way logically to define the key statutory terms contained in Section 254 is according to the outcomes produced in the marketplace. Section 254’s key statutory terms of “affordability” and “reasonable comparability” are all about outcomes, not inputs. And sufficiency can only be assessed according to the specific outcomes sought.

The Commission must, first, spell out what it means for rates in high-cost and urban areas to be “reasonably comparable.” What are the “urban” areas that provide the baseline for comparison? This is not an inconsequential question when rates in the most

⁹ *Comprehensive Review of Universal Service Fund Management, Administration, and Oversight; Federal-State Joint Board on Universal Service; Schools and Libraries Universal Service Support Mechanism; Rural Health Care Support Mechanism; Lifeline and Link-Up; Changes to the Board of Directors for the National Exchange Carrier Association, Inc.*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11308, 11318–19 (¶ 24) (2005) (emphasis added).

¹⁰ *Federal-State Joint Board on Universal Service; High-Cost Universal Service Support*, Notice of Proposed Rulemaking, 20 FCC Rcd 19731 (2005).

¹¹ Comments of General Communication, Inc., CC Docket No. 96-45 and WC Docket No. 05-337 (filed Mar. 27, 2006) (“GCI Qwest II Remand Comments”); Comments of General Communication, Inc., WC Docket No. 05-337 and CC Docket No. 96-45 (filed Sept. 30, 2005).

urban area in the nation, New York City, top \$36 for flat-rate residential service, and residential consumers in Anaheim, California pay just \$16.70 for flat-rate service.¹² In addition, must high-cost and urban consumers pay the exact same rate, or is it acceptable under the statute for high-cost subscribers to pay some percentage more than urban subscribers?

The *High-Cost NOI* also asks whether the Commission should define reasonable comparability in terms of rates or costs.¹³ As a starting point, the statute mandates “rates that are reasonably comparable.”¹⁴ Congress said nothing of costs. Moreover, there is no competent evidence to suggest that comparing costs is a good proxy for determining that rates are “reasonably comparable.” It is highly unlikely that the costs of service in New York City are twice those in Anaheim, California – or that the cost of serving Long Beach, where Verizon charges \$26.31 for flat rate residential service, is dramatically greater than in neighboring Los Angeles, where AT&T charges \$18.46.¹⁵ The Commission could do a statistical analysis to evaluate whether there is any significant correlation between costs and rates, but the Commission should not simply assume that such a correlation exists. In fact, as these examples suggest, costs likely have much less effect on retail rates than historical pricing or differences in state rate-setting processes.

¹² Industry Analysis & Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service* Table 1.3 (2008) (“*FCC Rate Reference Report*”).

¹³ *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, Notice of Inquiry, WC Docket No. 05-337 and CC Docket No. 96-45 (¶ 16) (rel. Apr. 8, 2009) (“*High-Cost NOI*”).

¹⁴ 47 U.S.C. § 254(b)(3).

¹⁵ *FCC Rate Reference Report* Table 1.3.

Accordingly, the Commission should define “reasonably comparable” with regard to rates, as specifically provided in the statute.

Likewise, the Commission should also define what constitutes “affordable” rates – with particular focus on those consumers that are not separately eligible for Lifeline support. It may be true that all reasonably comparable rates will be affordable, but it may not. Moreover, defining affordability allows policymakers to assess the levels of rate changes that can occur without jeopardizing universal service goals. Recent intercarrier compensation proposals, for example, proposed to permit federal subscriber line charge increases. Without a measure of affordability, it is impossible to assess whether the proposed “access replacement” support was necessary to protect universal service or simply an attempt to protect revenues against competition. One way to define affordability would be to set subscribership goals for the non-Lifeline-eligible population, and then assess whether hypothetical rate increases would cause a significant drop in subscribership.

Only after defining both “reasonable comparability” and “affordability” is it possible to determine whether support is “sufficient” to achieve universal service purposes. Of course, “sufficiency” must also reflect Section 254’s service availability goals. As the Commission has correctly recognized in adopting targeted universal service rules for tribal and Alaska Native Regions, there are areas of the country that need unique universal service assistance to ensure service availability as well as affordability and reasonable comparability of rates. Finally, as the *High-Cost NOI* acknowledges, both

insufficient and excessive support can violate the principle of sufficiency.¹⁶ The Commission will need to collect data to assess whether goals have been reached in any given area and whether support is sufficient.

B. The Commission Must Collect Data to Assess Whether the Statutory Objectives Are Met.

After defining the specific outcomes associated with the statutory objectives, the Commission must develop and implement a process for collecting the data necessary to determine whether customers in high-cost areas are getting access to the delineated “affordable” and “reasonably comparable” services and rates and whether support levels are sufficient to maintain that access. Ideally, the Commission should conduct a national comprehensive survey of all retail rates in urban and high-cost areas to establish the baseline data necessary to determine the comparability of urban and rural rates. But, at a minimum, the Commission should collect data regarding the basic tariff rate for standalone residential and standalone single business line services for recipients of high-cost funds.

In addition to retail rates, the Commission should continue to collect subscribership data, which directly measures whether consumers are benefiting from increased access to communications. The use of subscribership figures and comparisons will allow the Commission to determine whether particular funding levels affect consumers’ use of subsidized services, thus allowing the Commission to reduce or increase support to the level necessary to achieve the goal of universal service. In other

¹⁶ *High-Cost NOI* ¶ 20; *Alenco*, 201 F.3d at 620 (“excessive funding may itself violate the sufficiency requirements of the [1996] Act”).

words, this will help the Commission to determine when funding is sufficient (but not excessive) to provide access to services in high-cost areas.

II. The Commission Should Encourage Competition as a Means to Meet the Statutory Objectives and to Expand Basic and Advanced Services to Chronically Unserved and Underserved Communities.

Once the Commission defines the statutory objectives and develops data-supported assessment measures, it must determine how best to structure those support mechanisms. In so doing, the Commission should continue to recognize that marketplace competition in rural areas, where possible, remains critical to reaching those objectives. As the 1996 Act recognized, competition, not regulation, propels innovation and the introduction of the most advanced and useful capabilities. Rural consumers will never have “access to telecommunications and information services, including interexchange services and advanced telecommunications services, that are reasonably comparable to those services provided in urban areas” unless competition – through open market entry and competitively neutral universal service policies – can occur in rural communities. By itself, command-and-control regulation will inevitably bring substantially less innovation and price pressure to rural areas than the market delivers to urban areas. Constraining competition in an effort to provide universal service in rural areas condemns rural America to second-class status in communications infrastructure and services, thereby failing to achieve reasonable comparability.

When Congress was considering the 1996 Act, it expressly recognized that competition and universal service were goals that could and should work together:

Competition and new technologies will greatly reduce the actual cost of providing universal service over time, thus reducing or eliminating the

need for universal service support mechanisms as actual costs drop to a level that is at or below the affordable rate for such service in an area.¹⁷

The Commission should not undertake any reforms that limit the ability of the market to bring new, transformational networks and services to rural America.

GCI's past experience and future plans demonstrate how competition plays a critical role in delivering modern communications services to rural America and fulfilling the Act's universal service principles outlined in Section 254(b). As described in previous comments filed with the Commission, GCI's entry into markets throughout Alaska has forced competitors to improve and expand offerings, benefiting consumers statewide.¹⁸

GCI's entry into the Alaska communications markets first revolutionized long distance services. By employing then state-of-the-art DAMA satellite technology, GCI eliminated the "two-hop" transmission of telephone calls, which for the first time allowed Alaska's rural bush communities to connect calls both to other bush communities and to the lower 48 states without the latency and low quality that two-hopping created. When GCI entered local telephone markets, it similarly improved service offerings and quality. GCI was the first company to offer digital subscriber services for businesses, as well as ISDN PRI service, in Fairbanks and Juneau. GCI led the way in introducing fractional T-1s. GCI pioneered night installations for businesses, which incumbents had previously refused to perform. GCI introduced consumer-friendly packages of local service plus

¹⁷ S. Rep. No. 104-23, at 26 (1995).

¹⁸ *See* Comments of General Communication, Inc., WC Docket No. 05-337 and CC Docket No. 96-45 (filed June 2, 2008); Comments of General Communication, Inc., WC Docket No. 05-337 (filed Oct. 10, 2006); "GCI Qwest II Remand Comments; Reply Comments of General Communication, Inc., CC Docket No. 96-45 and WC Docket No. 05-337 (filed May 26, 2006); Comments of General Communication, Inc., WC Docket No. 05-195 and CC Docket No. 96-45 (filed Oct. 18, 2005).

custom calling features and prices that were substantially below the ILEC's price before competition. GCI has, by any measure, fulfilled the Commission's assessment that "designation of qualified ETCs promotes competition and benefits consumers by increasing customer choice, innovative services, and new technologies."¹⁹

Competition continues to fuel expanded services for Alaska consumers. GCI is in the midst of rolling out a local service platform that will deliver statewide wireless services and advanced Internet service. With support from the high-cost fund, GCI is upgrading its cable systems and deploying mobile wireless services in remote areas outside of the Alaskan road system integrating cable, satellite, and wireless technologies.²⁰ GCI's plan is revolutionizing wireline and wireless communications services throughout the state, including bringing mobile wireless service to 90,000 Alaskans, most of whom live in villages that lack mobile wireless service today, and upgrading wireless capability to an additional 50,000 Alaskans in regional centers and other places that currently enjoy only limited wireless capability today.²¹ Incumbents in these areas were not delivering these updated services, notwithstanding the universal

¹⁹ *Federal State Joint Board on Universal Service; RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area In the State of Alabama*, Memorandum Opinion and Order, 17 FCC Rcd 23532, 23540-41 (¶ 23) (2002); *see also Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota*, Memorandum Opinion and Order, 16 FCC Rcd 18133, 18137 (¶ 12) (2001).

²⁰ Transcript, Special Public Meeting, Regulatory Commission of Alaska (Dec. 11, 2007) ("RCA Transcript") <https://rca.alaska.gov/RCAWeb/ViewFile.aspx?id=c5b93bad-8e67-4620-ae8d-7a0e23ce32fc>. GCI will also offer wireline local service, via resale, for rural customers that request such service. GCI cannot, however, provide advanced broadband capability or the benefits of a diverse, facilities-based network via resale.

²¹ RCA Transcript at 9–10.

service support they received, and are unable to tie them together into an integrated, statewide network, despite the fact that there are no regulatory or technical barriers to their doing so.²²

When GCI's statewide rollout (including the wireless component) is complete, GCI will have deployed a mobile voice platform capable of delivering broadband service in over 185 rural Alaska communities – 145 of which are under 200 total lines and at least 80 of which are under 100 lines.²³ The vast majority of these communities have access to mobile wireless service for the first time.²⁴ And because GCI is using software-defined radios, these broadband speeds will be more easily upgradable as technology advances. Even among the communities that currently have some form of wireless service, GCI's rural deployment allows consumers to roam automatically to Alaska's urban centers and to the rest of the United States and the world, which few can do today.

The subscribership rates leave no doubt that these rural communities desire the same types of communications services as are available in the rest of the country. As an example, GCI currently offers wireless Internet services at affordable prices to 127

²² For example, both the FCC and the RCA deregulated entry into the rural Alaska long distance market, so that any entity can lease available satellite transponders and enter the Alaska long distance market. *Policy for Licensing Domestic Satellite Earth Stations in the Bush Communities of Alaska*, Report and Order, 18 FCC Rcd 16874 (2003).

²³ The software-defined wireless platform is capable of vast technology upgrades as capabilities increase and will be able to accommodate broadband services as terrestrial middle-mile facilities are deployed to replace capacity-constrained satellite transport.

²⁴ End-to-end Internet throughput will be relatively slow in areas served by satellite backhaul. GCI is pursuing plans to increase fiber and microwave deployments in Alaska to increase the number of areas served over terrestrial connections, which will increase end-to-end Internet throughput in those areas. This is an example of how American Reinvestment and Recovery Act funding could greatly accelerate access to higher speed broadband in Alaska's most rural areas.

villages and serves 20 more villages by partnering with other providers and using wireless or DSL. Even at comparatively low speeds, by urban standards, GCI provides Internet service to more than 50 percent of the households in Akutan, a village located on Akutan Island in the eastern Aleutians with a population of approximately 713, and to 91 percent of the 32 or so households in the tiny village of Atka, population about 92.

GCI's rural wireless deployment will also provide a long-term engine for continued innovation and enhancement of universal service in these remote rural communities. With the tremendous demand for wireless services, GCI's deployment will bring vigorous competition between GCI and the ILECs, which in turn will provide a market-based mechanism to ensure that rural Alaska receives access to the same advanced telecommunications services that are available in Alaska's urban centers and in the lower 48 states. So long as universal service continues to support all eligible telecommunications carriers, and not just ILECs, both GCI and its ILEC competitors will have to continually work to upgrade their services to provide the most modern capabilities to rural Alaskans.

Even the impending threat of GCI's market entry has produced positive competitive effects in remote areas of Alaska where GCI has been authorized to provide service. In Nome, for example, where GCI acquired an existing cable plant and began offering high-speed Internet access through cable modems, the Mukluk Telephone

Company started offering its own high-speed Internet service.²⁵ The Matanuska Telephone Association and the Ketchikan Public Utility have likewise responded to GCI's anticipated market entry in their service areas by upgrading their traditional telecommunications networks to provide video services.²⁶ So, too, in Barrow, the Arctic Slope Telephone Association Cooperative began offering its own high-speed Internet service only after GCI acquired an existing cable system and offered high-speed, cable modem Internet access. And GCI's prospective entry into remote villages has stimulated TelAlaska's efforts to initiate its own wireless offering. The Alaska experience provides strong evidence that the competitive process, not regulatory fiat, is the best means to ensure delivery of universal service at minimum cost to all consumers, even in small rural communities.

However, GCI will be unable to sustain this transformational network investment – and none of the tremendous public interest benefits will come to fruition – if there are dramatic changes in the universal service support available to GCI as a CETC. For example, the economics of a 25-person or 25-home village (or even a 200-home community) simply do not allow for such investment on a standalone basis. At best, GCI

²⁵ GCI's local service certificate was amended to include Nome on February 6, 2006. *The Application by GCI COMMUNICATION CORP. d/b/a GENERAL COMMUNICATION, INC. and GCI for an Amendment to its Certificate of Public Convenience and Necessity to Operate as a Competitive Local Exchange Telecommunications Carrier*, Order Approving Remaining Portions of Application Subject to Conditions, Addressing Service Area Issues, and Requiring Filings, Order 6, RCA Docket No. U-05-046 (Feb. 2, 2006).

²⁶ These upgrades have been supported by federal USF support because the ILECs upgrade the loop plant in their regulated utility subsidiary, then sell that transmission capacity to their unregulated video affiliates.

estimates that the revenue from subscribers for these services can cover approximately half of the costs of deploying and operating its rural wireless network.²⁷

GCI's planned rural network expansion also illustrates the need for universal service policies that accommodate the development and deployment of new, cost-efficient technologies, and the very real potential for limits on the number of supported CETCs to lock new, more capable and efficient technologies out of the market. Five years ago, the technology had not yet developed to the point that GCI's rural wireless project was possible. Now, it has. GCI worked diligently in the intervening years not only to develop and employ efficient and innovative methods of field construction and system implementation, but also to drive equipment vendors to produce wireless products that utilize new technologies. Integrating such technologies as IP soft-switching and software-defined radios, GCI now will be able to deploy a robust system that is economically feasible and that will provide a readily upgradeable path for faster broadband services as both local network and backbone technology advance.

If the Commission had limited the number of supported ETCs in any study area to one, it would have locked GCI out of the rural market entirely. Consumers would have been denied the opportunity to benefit from this deployment, as, even now, no other carrier or group of carriers is seeking to roll out these services in these off-road areas on a statewide basis. Open market entry remains a cornerstone for permitting the market to drive service advances and innovations whenever technological change makes it economically feasible to do so. Competition among ETCs in rural areas inevitably forces carriers to improve their own service quality, benefitting both consumers and public

²⁷ RCA Transcript 11–13.

safety. GCI's deployment is at the core of what universal service is, and what it should be, about – providing access to basic and advanced telecommunications and information services comparable to urban areas at affordable and reasonably comparable rates.

Conclusion

Each proposal discussed in the *High-Cost NOI* suffers from the failure to define the statutory objectives, and the Qwest and Embarq proposals, in particular, contemplate limitations on the competition that will most effectively expand universal service to “*all regions* of the Nation,” including high-cost areas and tribal lands.²⁸ Moreover, each proposal appears designed to increase or decrease the flow of funds to particular stakeholders without any real assessment of whether the funds are necessary or “sufficient” to achieve the undefined statutory objectives. In sum, rather than adopt any of the proposals identified in the *High-Cost NOI*, the Commission must finally answer the admittedly difficult questions regarding what the high-cost fund should be supporting and at relevant levels, and then take the additional steps to collect the data necessary to evaluate whether those goals are being met.

Respectfully submitted,

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²⁸ 47 U.S.C. 254(b)(3).