

KET, Inc.

6512 CURTIS SARK STREET • ANCHORAGE, ALASKA 99502-1940 • (907) 244-0882 • FAX: 277-4344

August 25, 2011

Ex Parte

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

Re: *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *High-Cost Universal Service Support*, WC Docket No. 05-337.

Dear Ms. Dortch:

On August 24, 2011 in Anchorage, Alaska, Andilea Weaver, Vice President and Chief Operating Officer of Adak Eagle Enterprises and Kenneth Trout, Consultant and Director of Revenue Requirements for Summit Telephone Company met with FCC Chairman Julius Genachowski and Greg Guice, Acting Director, Office of Legislative Affairs. Also participating was Meagan Foster, Legislative Assistant to Senator Mark Begich.

The focus of our discussions was to give a small remote rural company perspective of costs and concerns related to the High Cost and Broadband plan docket as follows:

Ms. Weaver presented costs related to functions provided by Adak Eagle Enterprises, LLC (AEE). AEE provides: Telephone, IPTV, Internet, and Cellular to the city of Adak, Alaska, the farthest west city in the United States. The focus of our discussions was to give examples of high cost to provide service to the remote location of Adak. Adak is over 1200 miles west of Anchorage. The discussion covered examples of a fuel bill, freight bill and an Air bill. These examples partially illustrated why Adak Telephone Utility has such a high cost. Our discussion included future technology and its drivers. Ms. Weaver explained that AEE provides the infrastructure and that the telephone company switch is capable (in Adak's case) of providing the next generation of service, i.e. broadband, cellular, local phone and even IPTV. Ms. Weaver informed the chairman that, unlike a CLEC who has no local technician on the island, Adak Telephone Utility is on site serving its customers while providing a high quality of service to them. If Adak's customers had to pay the full cost for these services, rates would increase 300% in all areas.

Ex Parte August 25, 2011

Page 2 of 2

Ms. Weaver also mentioned that Adak depends on a satellite provider to transport long distance services and also depends on a separate satellite provider for broadband bandwidth off the island. That service is not reliable. Sometimes weather will repeatedly alter the antenna and satellite alignment and occasionally space debris will knock the entire satellite out of reach. Unquestionably, Adak Telephone Utility is serving one of the most remote communities in the Nation.

Mr. Trout presented the following concerns for Summit Telephone Company:

- COLR Support is needed to continue uncapped
- Middle Mile Transport support – Support to the end provider for the cost of broadband transport
- Oppose use of a forward looking cost model
- Favor use of a benchmark for all providers coupled with cost basis justification for CETCs. If a company is offering a phone for nothing in order to get USF support, they probably don't need the support.
- Working for a consensus on an Alaska specific plan
- Oppose the GCI plan that has no CLEC accountability and appears to grow the fund for CLECs without accountability

Please contact me for further information or assistance.

Sincerely,



Kenneth E. Trout, CPA
Consultant and
Director of Revenue Requirements for
The Summit Telephone & Telegraph Company of Alaska, Inc.
dba Summit Telephone Company

cc: Hon. Julius Genachowski, Chairman
Greg Guice