

August 6, 2012

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; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109; *Universal Service Reform- Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

General Communication, Inc. (“GCI”) hereby responds to Adak Eagle Enterprises, LLC’s (“AEE”) reply comments filed in support of its Petition for Waiver of the Commission’s \$250 per line monthly cap on high cost universal service support.¹ GCI reiterates that it neither supports nor opposes the AEE Petition, but would like to clarify the facts regarding GCI’s ability to continue existing services and to provide additional services in the event that AEE ceased operations—as AEE asserts will happen in the absence of a waiver.

In its reply comments, AEE claims that GCI’s “wireless service is dependent on AEE facilities and infrastructure.”² This is incorrect. Should AEE (and its wireless affiliate Windy City Cellular (“WCC”)) shut down its facilities immediately, GCI’s wireless customers in Adak would notice no change in service other than the inability to reach AEE/WCC customers. GCI wireless customers could call other GCI wireless customers and could call anywhere outside of

¹ See Reply Comments of Adak Eagle Enterprises, LLC, WC Docket Nos. 10-90 et al., (filed July 16, 2012)(“AEE Reply Comments”); Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket Nos. 10-90 et al., (filed May 22, 2012)(“AEE Petition”).

² AEE Reply Comments at 3.

Adak that they can call now.³ And, although GCI currently uses AEE's facilities and infrastructure to provide wireless service to AEE/WCC customers, it is not "dependent" upon them. "Dependent" connotes not just current use, but also an inability to replace such facilities within a reasonable and non-disruptive period of time. Inasmuch as it is unlikely that AEE would cease operations with no notice, GCI could replace the transport links that it purchases from AEE within 120 days if the need arose. Other than these replicable transport links, GCI does not use AEE's facilities to provide local and long distance wireless service, and GCI's wireless customers would not notice a change in service. In its comments with respect to AEE's waiver, GCI also states that it is willing to take over operation of the White Alice cell site (or to take equivalent measures substantially to maintain wireless coverage), which would further ameliorate any impact on consumers should Windy City and/or AEE cease operations.⁴

GCI does not dispute that it uses AEE's facilities in order to provide wireline long distance service to those residents of Adak who are presubscribed to GCI service. This is necessarily the case because AEE is the only wireline LEC on Adak. The question, however, is not whether *wireline* long distance services would cease if AEE ceased operations, but whether consumers on Adak would lose access to *all* long distance service. Because GCI will be able to keep its wireless network operating even if AEE ceases operations, consumers on Adak will have the ability to place long distance calls through that network, even if not through AEE's traditional wireline network. There certainly can be little doubt that long distance over a wireless last mile is highly substitutable for long distance over a wireline last mile, as consumers frequently substitute these services for one another—as evidenced by the fact that wireline access minutes have fallen year-over-year since 2000. Indeed, the interexchange (rather than last mile) facilities that GCI uses to provide wireless long distance calling between Adak and the rest of the world are the same as those used to provide wireline long distance calling between Adak and the rest of the world.

GCI currently uses AEE wireline facilities to provide enterprise service, such as the health clinic and commercial enterprise users. Again, as with GCI's wireless links to cell sites, the fact that GCI currently uses these facilities does not mean that GCI is "dependent" upon AEE services. Even if AEE facilities become wholly unavailable, GCI has the capability to construct new facilities that bypass AEE's network. Based on GCI's experience, it can typically construct such facilities within 30-90 days; so even accounting for what can sometimes be difficult conditions on Adak, GCI expects that it could construct such facilities within 120 days. Certainly Adak is not a spectrum-constrained environment, and therefore coordinating the use of microwave frequencies should not be difficult. GCI's ability to construct bypass facilities, and its time estimates, are not pure speculation, as AEE appears to believe,⁵ but are based on GCI's

³ In order to receive calls from AT&T Alascom long distance customers, AT&T will also have to interconnect directly with GCI, rather than indirectly through AEE as is the case today. GCI does not anticipate that it would be difficult for AT&T Alascom to establish direct interconnection to permit the delivery of long distance calls to GCI wireless subscribers.

⁴ See Comments of General Communication, Inc., at 2, WC Docket Nos. 10-90 et al., (filed July 2, 2012).

⁵ See AEE Reply Comments at 5.

extensive experience in serving the state of Alaska, which includes a number of regions with challenging building conditions.

AEE notes in its reply comments that “GCI would have to use AEE’s switch for special circuits necessary for telemedicine.”⁶ This statement is confusing and does not appear to be correct. GCI does not use or need any “special” hardware or switching for telemedicine circuits supporting voice, video, and data, other than the data encryption via edge routers, which GCI provides and manages separate from AEE’s facilities. If AEE is referring to the fact that local wireline calls must traverse AEE’s network to reach the clinic, then that is correct. That fact says nothing, however, about the consumers’ ability to reach the clinic using wireless services. The bottom line is that consumers could still call the clinic when they needed to do so, and the clinic could carry out its telemedicine activities involving voice, video, and data without use of AEE’s facilities.

With respect to network maintenance, while GCI may currently use AEE technicians,⁷ it has previously stationed a full time employee (the On-Call employee) in Adak who worked with the Anchorage based Field Maintenance Group technicians to address service issues. Only when an issue is outside the capability of the On-Call employee is an Anchorage-based resource dispatched to assess and solve the issue. This model was successful in Adak as in other regions of Alaska, and could easily be put back into place. GCI anticipates that should AEE cease operations, it would likely hire a technician to fill this role.

In the interest of ensuring that the Commission has access to potentially relevant publicly available information, GCI also provides the Commission with a copy of testimony provided to the Regulatory Commission of Alaska by the Adak electric utility comparing the costs of operating the electric utility and the telephone utility.⁸

GCI neither supports nor opposes AEE’s petition for waiver, but must make clear that Adak will not go unserved should AEE go dark. GCI is fully capable of setting up the infrastructure necessary to continue providing service to Adak in a relatively short amount of time, for no more USF funding than currently supports service, provided that the Commission does not make further reductions to USF support mechanisms in Alaska.

⁶ AEE Reply Comments at 3 n.9.

⁷ See AEE Reply Comments at 4.

⁸ See Prefiled Testimony of Michelle D. Barnett, at 7-12, TAG Docket U-10-104, Regulatory Commission of Alaska, *available at* <http://rca.alaska.gov/RCAWeb/ViewFile.aspx?id=751ae98b-dc85-4234-9ed8-c82b6a5658d8> (Sept. 6, 2011).

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Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata". The signature is fluid and cursive, with a long horizontal stroke at the end.

John T. Nakahata
Counsel to General Communication Inc.

cc: Michael Steffen
Christine Kurth
Angela Kronenberg
Lows Peraertz
Priscilla Delgado Argeris
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