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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90
Universal Service Reform – Mobility Fund, WT Docket No. 10-208

Dear Ms. Dortch:

Throughout the Commission's reform proceeding the National Cable & Telecommunications Association (NCTA) has supported the Commission's efforts to make the universal service high-cost fund more efficient by targeting support to where it is most needed. Consistent with this principle, NCTA agrees with General Communication, Inc. (GCI) that the Commission should deny the requests for waiver filed by Adak Eagle Enterprises, LLC (AEE) and Windy City Cellular, LLC (Windy City).

In the *CAF Order*, the Commission adopted the principle that "[p]roviding universal service support in areas of the country where another voice and broadband provider is offering high-quality service without government assistance is an inefficient use of limited universal service funds."[1] Following from this principle, in an area served by multiple entities that each receive high-cost support, it would be equally inefficient for the Commission to provide support to one provider in excess of the levels that would be sufficient for one of the other providers. If one provider is willing to serve the entire area with a given level of support, then it would be inefficient to give any of the providers in that area support beyond that level.

In the instant case, two affiliated companies, AEE and Windy City, each seek to receive federal universal service high-cost support in excess of the amount allowed under the Commission's rules.[2] Specifically, both companies ask the Commission to waive the limitation

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[1] *Connect America Fund, et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17767, ¶ 281 (2011) (*CAF Order*).

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

on the amount of per-line high-cost support they can receive.[3] As GCI has explained in a series of filings, however, providing AEE and Windy City with additional support will not serve the public interest because GCI would be able to serve substantially all consumers in their service areas without such a waiver.[4] The waiver requests should therefore be denied.

Granting AEE's and Windy City's waiver petitions would meet none of the critical goals the Commission established in the *CAF Order*.[5] As GCI has explained in this proceeding, it either currently is providing, or would be willing and able to provide, both voice and broadband services to residents, businesses and anchor institutions on Adak Island that are currently served by AEE and/or Windy City.[6] Furthermore, GCI would be able to provide service to Adak Island without exceeding the Commission's limits on per-line high-cost support. As GCI stated, "Even if AEE and or Windy City elected to cease operations and its extant facilities could no longer be used or reasonably acquired, GCI could provide Adak Island with largely comparable USF-supported services for no more than the total amount of high-cost support that would otherwise flow to GCI as a wireless CETC and to AEE subject to the $3000 per line cap pursuant to the [*CAF Order*]."[7]

Given GCI's ability to serve Adak Island, the public interest would not be served by providing AEE and Windy City excess high-cost support. Granting additional support to AEE and Windy City would not further the Commission's goals of preserving and advancing voice service, or of ensuring availability of modern networks capable of offering voice and broadband services. These goals are met by the ability of GCI to serve Adak Island. Nor would granting the waiver ensure that rates are reasonably comparable; as GCI stated, AEE's broadband rates are higher than rates that GCI charges for equivalent services in comparable areas of Alaska.[8] Finally, granting AEE and Windy City's petitions would not minimize the universal service

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[3] AEE seeks a waiver of section 54.302 of the Commission's rules and Windy City seeks a waiver of section 54.307(e). AEE Petition at 1-2 n.2; Windy City Petition at 1; 47 C.F.R. §§ 54.302, 54.307(e).

[4] Comments of General Communication, Inc., WC Docket No. 10-90, WT Docket No. 10-208, 1-2 (May 14, 2012); Comments of General Communication, Inc., WC Docket No. 10-90, WT Docket No. 10-208, 1-4 (July 2, 2012) (GCI AEE Petition Comments); Letter from John T. Nakahata, Counsel to GCI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 *et al.*, 2-3 (Aug. 6, 2012) (GCI Aug. 6 *Ex Parte* Letter); Letter from John T. Nakahata, Counsel to GCI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, 2-5 (Aug. 29, 2012); Letter from John T. Nakahata, Counsel to GCI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (Sept. 11, 2012).

[5] The five goals identified by the Commission were to "(1) preserve and advance universal availability of voice service; (2) ensure universal availability of modern networks capable of providing voice and broadband service to homes, businesses, and community anchor institutions; (3) ensure universal availability of modern network capable of providing mobile voice and broadband service where Americans live, work, and travel; (4) ensure that rates are reasonably comparable in all regions of the nation, for voice as well as broadband services; and (5) minimize the universal service contribution burden on consumers and businesses." *CAF Order*, 26 FCC Rcd at ¶ 48.

[6] GCI AEE Petition Comments at 2-4; *see also* GCI Aug. 6 *Ex Parte* Letter at 2-3 (providing further information on GCI's ability to continue service on Adak Island).

[7] GCI AEE Petition Comments at 2-3.

[8] *Id.* at 3-4 n.4.

burden on consumers and businesses as it would increase the amount of high-cost support that the Commission disburses.

GCI has demonstrated that grant of AEE and Windy City's waiver petitions is not necessary to ensure that consumers on Adak Island continue to receive voice service. The public interest would not be served by providing these two companies with additional high-cost support and the Commission should deny their waiver petitions.

Respectfully submitted,

/s/ Jennifer K. McKee

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