

**Before the
FEDERAL COMMUNICATIONS COMMISSION**

<i>In the matter of</i>)	
)	
Federal-State Joint Board on Universal Service)	CC Docket 96-45
)	
High-Cost Universal Service Support)	WC Docket 05-337

COMMENTS OF GENERAL COMMUNICATION INC.

General Communication Inc. (“GCI”) hereby comments with respect to mobile line count reporting issues for CETC high-cost universal service.¹ It bears noting that, other than with respect to Remote Alaska and the Standing Rock Reservation, these issues only affect past disbursements. Nonetheless, the Commission should clarify mobile line count reporting prospectively so that those ETCs still using line count reports can know how to report lines so that they will be compensated, and how to project the compensation they will receive. With respect to past periods, the Commission should instruct USAC to permit the use of any reasonable and consistently-applied methodologies that approximate correlating the support to the location of service. This is the only reasonable and fair result when the Commission and USAC have not clearly communicated guidance prospectively, in the absence of any evidence that a provider has been “gaming” locations. Providers have already provided services in high-cost locations, and retrospective changes would be occurring long after the fact.

The remainder of this comment catalogs various issues that have been presented over the years, and GCI’s recommended resolutions. Each of these represents an application of rule

¹ *Wireline Competition Bureau Seeks Comment on Requests for Review of Administrator Decisions Regarding Mobile Line Count Reporting*, Public Notice, DA 13-1557, CC Docket No. 96-45 and WC Docket No. 05-337 (2013).

54.307(b) that is consistent with the terms of the rule, and that furthers the Commission's goals of distributing support for high-cost services to the high-cost facilities for which support is needed and which are being used to provide service. Each is also consistent with the *Bristol Bay Order*.²

P.O. Boxes. With respect to customers with billing addresses at a P.O. Box, consistent with informal guidance that GCI received from USAC, GCI has been using the geocoded location of the Post Office at which that P.O. Box is located as the location of the customer's billing address. Irrespective of how the Commission addresses AT&T's appeals (which now affect only past amounts due AT&T and do not affect AT&T's current support), Post Office locations should remain a permissible means of reporting CETC lines for high-cost support in Remote Alaska and Standing Rock.

Enterprise customers with centralized billing. As GCI described in its January 26, 2009 request for a declaratory ruling, when GCI has a business customer that processes invoices in a centralized location (whether in Alaska or the rest of the United States), it also issues a service invoice to the customer at the location where the customer uses the service, detailing charges and call data.³ As GCI discussed in its request for a declaratory ruling, use of the location of the service invoice best implements both the letter and spirit of 47 C.F.R. § 54.307(b), as it most closely correlates with the location of the supported facilities providing supported service. Indeed, use of the centralized processing locations could itself lead to abuse, such as locating

² *Federal-State Joint Board on Universal Service; Bristol Bay Cellular Partnership; Petition for Waiver of the Federal Communications Commission's Rules Concerning the Administration of the Universal Service Fund*, Order, DA 07-4965, 22 FCC Rcd. 21,500 (Wireline Compet. Bur. 2007).

³ Request of General Communication, Inc. for a Declaratory Ruling to Remove Uncertainly [sic] Regarding the Application of Part 54.307 of the Commission's Rules at 5, CC Docket No. 96-45 (filed Jan. 26, 2009) ("GCI 2009 Request").

processing in the Matanuska Valley, rather than Anchorage, because of higher per-line support.⁴ With respect to Cordova Wireless's appeal, USAC appears to have rejected use of these service invoice locations, without any discussion about why the rule would preclude use of the service invoice location rather than the payment location.⁵ USAC's interpretation of rule 54.307(b) on this point is wooden and lacks a rational basis.

Cordova points out that national companies will seek to minimize the number of employees in Alaska, due to Alaska's high cost of living, as well as to centralize administrative functions for economies of scale and overall efficiency.⁶ In addition, Alaska has seasonal workers, who may want service from an Alaska-based carrier when they are in Alaska. The use of service invoice address better accommodates these situations that are more common in Alaska than in other parts of the U.S.

"Wholesale" lines. As raised by ACS Wireless, USAC appears to have taken the position that for a wholesale customer – defined for these purposes as a customer that purchases wireless service for resale or for integration into its own products, which are then sold to an ultimate end user – the location of the wholesale customer should govern line count reporting rather than the ultimate end user (as evidenced by that ultimate end user's billing address).⁷ In ACS's case, another carrier – Verizon Wireless – purchased ACS' service to provide to a telematics provider, which then provided the wireless service as part of its telematics offerings, to an Alaskan end

⁴ See *id.* (making the same point comparing Fairbanks and Anchorage).

⁵ Request for Review by Cordova Wireless Communications, LLC of a Decision of Universal Service Administrator at 4, WC Docket No. 05-337 and CC Docket No. 96-45 (filed July 5, 2013).

⁶ *Id.* at 5 n.11.

⁷ ACS Wireless, Inc. Request for Review and Petition for Waiver at 5-6, CC Docket No. 96-45 and WC Docket No. 05-337 (filed Jan. 17, 2012).

user.⁸ USAC took the position that the “customer address” for the purpose of 54.307(b) should be Verizon Wireless’ Alpharetta, Georgia address. Whether Verizon Wireless was selling this service to a telematics provider or simply a wireless voice service should make no difference to the issue of customer location – in both cases it is the ultimate end user’s billing address that should count under 54.307(b). To take another example, suppose GCI resells wireless service in Bethel, Alaska to ACS so that ACS (not a CETC in Bethel) can serve customers in Bethel with a Bethel billing address. If GCI sold that service directly to the Bethel end user, GCI would clearly be able include that customer in its Bethel line counts. But under USAC’s approach, because GCI sold the line to ACS, who then sold it to the Bethel customer, GCI would be unable to report the line as a Bethel line and receive Bethel high-cost support. That is an irrational result that neither supports universal service nor competition, and is not compelled by the plain language of 54.307(b).⁹

Prepaid Lines. As GCI pointed out in its 2009 request, prepaid wireless customers receive no bill and thus frequently have no traditional “billing address.” Upon service initiation, GCI asks for a local address, which might be the address of the local factory, and, when given, uses that address as the “billing address.”¹⁰ But in the absence of such an address, GCI uses the address of the point of sale.¹¹ Neither USAC nor the Commission have ever disputed this

⁸ *Id.* at 4-5.

⁹ ACS is also correct that to the extent that the ultimate end user’s billing address is unavailable, it would be reasonable to infer that address from information such as the NPA-NXX code of the ultimate end user’s telephone number. *See* ACS Petition at 11-13. USAC’s auditing objective should be a reasonable approximation of the customer’s location, not a “gotcha” game to disallow as much support as possible – and the Commission should make that clear to USAC.

¹⁰ GCI 2009 Request at 3.

¹¹ *Id.*

approach; it is a strong surrogate for where the service is actually used. If the Commission clarifies mobile wireless reporting, it should also make clear that this is a permissible practice.

Accordingly, the Commission should make clear that the practices described herein are permissible for mobile wireless line count reporting. The Commission should also uphold all reasonable and consistently applied past reporting in areas in which the Commission and USAC have not provided guidance.

Respectfully submitted,



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