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September 9, 2014

ACCEPTED/FILED

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

SEP - 9 2014

**Federal Communications Commission
Office of the Secretary**

**Re: REDACTED – FOR PUBLIC INSPECTION
Adak Eagle Enterprises, LLC Request for Confidential Treatment and Redacted
Submission of Information**

Dear Ms. Dortch:

On behalf of Adak Eagle Enterprises, LLC, Adak Telephone Utility, and Windy City Cellular (collectively, the Companies) and in accordance with the Protective Order adopted in the above referenced proceedings,¹ enclosed please find a Request for Confidential Treatment and two (2) copies of the Redacted version of the Companies' supplemental responses² to the request for additional information issued by the Federal Communications Commission (FCC or Commission) by letter dated August 12, 2014. The Companies are also submitting one (1) copy of the Confidential version of the filing to the Office of the Secretary, and two (2) additional copies of the Confidential version of this filing are being delivered to Lynne Hewitt Engledow, Pricing Policy Division, Wireline Competition Bureau, Federal Communications Commission.

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¹ *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Protective Order, 25 FCC Rcd 13160 (Wireline Comp. Bur. 2010).

² This supplement provides responses to questions 1, 2, 7, 8, 9, 11, 12, and 15 of the Commission's August 12, 2014 letter. The Companies' first response, filed August 22, 2014, provided answers to questions 3, 4, 5, 10, 14, 16, and 17.

44 Offices in 21 Countries

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REDACTED – FOR PUBLIC INSPECTION

Squire Patton Boggs (US) LLP

September 9, 2014

Should you have any questions concerning the foregoing request, please contact the undersigned.

Respectfully submitted,



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*Counsel to Adak Eagle Enterprises, LLC and
Windy City Cellular, LLC*

September 9, 2014

Ms. Marlene H. Dortch, Secretary
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**Federal Communications Commission
Office of the Secretary**

Re: Request for Confidential Treatment – Adak Eagle Enterprises, LLC in CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 Before the Federal Communications Commission

Dear Ms. Dortch,

On behalf of Adak Eagle Enterprises, LLC (AEE), Adak Telephone Utility (ATU) and Windy City Cellular, LLC (WCC) (collectively, the Companies) and in accordance with the Protective Order issued in the above referenced proceedings¹ and Federal Communications Commission (FCC or Commission) rules— specifically Section 0.459² of the Commission's rules—the Companies request Confidential Treatment of certain information located in the attached supplemental response to the request for additional information issued by the FCC by letter dated August 12, 2014.³ In particular, the Companies request Confidential Treatment of the information provided in response to questions 1, 2, 7, 8, 9, 11, 12, and 15, and for all of the attachments included at Exhibits 1 – 7 of said response (collectively, Confidential Information). Accordingly, the Companies hereby seek Confidential Treatment, request that the Confidential Information be withheld from public inspection, and answer the questions set forth in Section 0.459(b) of the Commission's rules.⁴

¹ *Connect America Fund et al.*, WC Docket 10-90 et al., Protective Order, 25 FCC Rcd 13160 (Wireline Comp. Bur. 2010).

² 47 C.F.R. § 0.459.

³ See Letter from Carol E. Matthey, Acting Chief, Wireline Competition Bureau, to Larry Mayes, President/CEO, Adak Eagle Enterprises, LLC and Windy City Cellular, LLC (Aug. 12, 2014).

⁴ 47 C.F.R. § 0.459(b).

(1) Identification of the specific information for which confidential treatment is sought.

All of the information designated as “Confidential Information” being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.⁵ As explained in more detail below, the Confidential Information contains proprietary commercial and financial information. Accordingly, pursuant to Section 0.459(a) of the Commission’s rules, the Companies request that such information not be made routinely available for public inspection.⁶

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.

The information is being provided to the Commission as part of the petitions for waiver filed by AEE and WCC⁷ of Section 54.302 of the Universal Service Fund and Intercarrier Compensation reform rules adopted by the Commission as part of its November 18, 2011, Report and Order.⁸

(3) Explanation of the degree to which the information is commercial or financial or contains a trade secret or is privileged.

The data and explanations contained in the Confidential Information are not customarily disclosed to the public or within the industry. The Confidential Information shows sensitive financial information related to the Companies. The Confidential Information also reveals details about AEE’s service area; procedures for allocating costs; revenue and expense data; and projected revenues and expenses pertaining to the Companies. The disclosure of such information would cause harm to the Companies. This sensitive commercial and financial information is not made available to the public by the Companies.

(4) Explanation of the degree to which the information concerns a service that is subject to competition.

The data and explanations contained in the Confidential Information being provided to the Commission describe the business and operational details of AEE’s communications network that it provides on Adak Island in Alaska, as well as business and operational details with respect to WCC

⁵ 5 U.S.C. § 552(b)(4).

⁶ 47 C.F.R. § 0.459(a).

⁷ Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.* (filed May 22, 2012); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.* (filed Apr. 3, 2012).

⁸ *Connect America Fund et al.*, WC Docket 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (Report and Order).

and ATU. All of the Confidential Information concerns competitive voice and broadband services. Indeed, Alaska Wireless competes to provide communications services in the downtown area of Adak.

(5) Explanation of how disclosure of the information could result in substantial competitive harm.

The presence of competition in downtown Adak and the likelihood of competitive injury threatened by release of the information provided to the Commission by the Companies should compel the Commission to withhold the Confidential Information from public disclosure. The Commission has provided assurances that it is “sensitive to ensuring that the fulfillment of its regulatory responsibilities does not result in the unnecessary disclosure of information that might put its regulatees at a competitive disadvantage.”⁹

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure.

In order to prevent unauthorized disclosure of the subject information, and pursuant to the Protective Order issued in these proceedings,¹⁰ the Companies are filing a confidential version of this filing with the Office of the Secretary. The Companies take routine measures to ensure the confidentiality of this information during normal business operations.

(7) Identification of whether information is available to the public and the extent of any previous disclosure of the information to third parties.

The data and explanations contained in the Confidential Information are not available to the public or to any third parties.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure.

As noted in response to question (1) above, all of the data and explanations being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.¹¹ Consequently, the Companies would never make this information available publicly due to its sensitive and proprietary nature. For this reason, the Companies respectfully request that the Commission protect this information from public disclosure in perpetuity.

⁹ *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, Report and Order, 13 FCC Rcd 24816, ¶ 8 (1998).

¹⁰ See *supra* note 1.

¹¹ 5 U.S.C. § 552(b)(4).

(9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.

The Confidential Information contains proprietary commercial and financial information, which the Companies will forever keep confidential. Because of the competitive sensitivity of the Confidential Information, the Companies seek confidential treatment indefinitely.

Should you have any questions concerning the foregoing request, please contact the undersigned.

Respectfully submitted,



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**Federal Communications Commission
Office of the Secretary**

September 9, 2014

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

**Re: CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN
CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN
DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS
COMMISSION
Adak Eagle Enterprises, LLC Request for Confidential Treatment and Confidential
Submission of Information**

Dear Ms. Dortch:

Adak Eagle Enterprises, LLC (AEE), Adak Telephone Utility (ATU), and Windy City Cellular (WCC) (collectively, the Companies) hereby supplement their initial responses to the request for additional information issued by the Federal Communications Commission (FCC or Commission) by letter dated August 12, 2014.¹ The [[]] symbols in this Confidential version denote Confidential Information as defined in the Companies' attached Request for Confidential Treatment.

Herein, the Companies submit responses to **questions 1, 2, 7, 8, 9, 11, 12, and 15**. The remaining information will be provided in additional supplements on a rolling basis as rapidly as possible. On August 22, 2014, the Companies provided responses to questions 3, 4, 5, 10, 14, 16, and 17.²

¹ See Letter from Carol E. Matthey, Acting Chief, Wireline Competition Bureau, to Larry Mayes, President/CEO, Adak Eagle Enterprises, LLC and Windy City Cellular, LLC (Aug. 12, 2014) (Aug. 12, 2014 FCC Letter).

² With respect to questions 1, 2, and 3, the Commission has requested that the Companies provide information either in Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv). As explained in connection with the PDF documents that were provided to the Commission on August 22, 2014, the information related to older financial records is no longer available in the

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As the Companies noted in their prior submission filed August 22, 2014, they provide quality telecommunications services to remote Adak Island, Alaska. Thus, the Companies understand the importance of ensuring that Universal Service funds are being used appropriately to provide service to such remote areas, and are eager to conclude this administrative process so that service to remote Adak Island, Alaska may continue.³

In addition, the Companies further clarify that the numbers provided for 2012 and 2013 are final, audited numbers, and that financial information provided with respect to 2014 forward are projections, and thus are subject to change based on the vagaries attendant to business operations.

Finally, the Companies stress that they have answered the Commission’s inquiries as quickly as possible, and where practicable, in the format requested. The Companies note that that the [REDACTED] accounting software they use generates monthly financial information into PDF format by default. In other words, the [REDACTED] software used by the Companies will not generate monthly financial statements into an Excel spreadsheet (i.e., the balance sheets, income statements, cash flow statements, cash account statements). One can, however, generate an Excel spreadsheet showing a “Chart of Account” that provides detailed transactional information for each account, but the specific monthly financial information the Commission is seeking would not be easily ascertainable from such a spreadsheet. In those instances where the Companies do not have access to the information in the format requested, they are expending substantial time and resources to manually input all of the relevant information submitted into the requested format. Consequently, the Companies wish to make clear that they are diligently working very hard to make it easier for the Commission staff to review the information submitted – expending additional efforts to ensure that Commission staff has all of the relevant information before them in as expedited a manner as possible, and in the format preferred by Commission staff.

1) Please update Exhibit 3 “AEE and WCC Cash Balances” of AEE’s October 23, 2013 filing with the most recent data available. Also, please provide the same information for ATU with the most recent data available. Please provide this information in either Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv).

Please see the PDF attachments at Exhibit 1, which provide the updated cash balances using the periods ending May and June 2014 for ATU, WCC, and AEE cash accounts. AEE notes that the financials requested in this question are not currently available in Microsoft Excel format (.xls or .xlsx) or Comma Separated Values format (.csv), and that the Companies are now manually inputting the data into Excel and will provide that as soon as it is ready.

requested formats. In order to accommodate the Commission’s request, the Companies are now manually inputting the data into Excel, and will provide that as soon as it is ready.

³ Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.* (May 22, 2012) (Adak Petition); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.* (Apr. 3, 2012). *See* Response of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC to the Commission’s August 12, 2014 Letter, WC Docket No. 10-90, *et al.* (Aug. 22, 2014).

2) Please update Exhibit 5 “AEE and WCC Cash Flow” of AEE’s October 23, 2013 filing with the most recent data available. Also, please add the same information for ATU with the most recent data available. Please provide this information in either Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv).

Please see the PDF attachments at Exhibit 2, which provide the updated 2014 Cash Flow numbers for ATU and WCC. AEE notes that the financials requested in this question are not currently available in Microsoft Excel format (.xls or .xlsx) or Comma Separated Values format (.csv) and that the Companies are now manually inputting the data into Excel and will provide that as soon as it is ready.

7) What were AEE’s total legal and consulting expenses for 2013 for the ATU and Windy City Cellular (WCC) Petitions for Waiver, and AEE’s Petition for Reconsideration and Application for Review? In addition, please provide the total for these same expenses from January 1, 2014 through July 31, 2014. Please provide a separate figure for ATU and for WCC. Please provide this information in Microsoft Excel format (.xls or .xlsx).

Please see the attachments at Exhibit 3. The Companies note that July amounts are not available as of the date of this filing. As a result, the Companies provide numbers through June 2014 instead. The Companies will submit updated information once it becomes available.

8) Please provide the following sub-categories of ATU’s total revenues for 2013:

- End User Revenues – Residential [REDACTED]
- End User Revenues – Business/Commercial [REDACTED]
- Intercarrier Compensation – WCC/WCB
- Intercarrier Compensation – Non-Affiliated Carriers [REDACTED]
- Access Revenues – WCC/WCB [REDACTED]
- Access Revenues – Non-Affiliated Carriers [REDACTED]
- Alaska State High Cost Support Revenue

Please provide this information in either Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv).

Please see the numbers inserted above and the attachment at Exhibit 4. The Companies note that what is characterized herein as “Intercarrier Compensation – WCC/WCB” amounts are being phased out and trained into “Access Revenues – WCC/WCB” and therefore are included in that category instead. The Companies further note that they understand the Alaska State High Cost Support Revenue Fund is not in place, and that there is no mechanism as of yet to establish this fund.

9) Please provide ATU's total annual 2013 revenues from the following ATU affiliates:

- Windy City Cellular
- Windy City Broadband
- Adak Cablevision

Please provide an annual dollar amount for each of the three entities above.

Please see the attachments at Exhibit 5. To provide a bit more context for the Companies' response, these amounts represent eliminations among the Companies, which are conducted at the end of the year when consolidated balance sheets are prepared. Because these funds represent monies that have been eliminated among the affiliates, it is not always correct to characterize these amounts as revenue. As a result, the Companies are submitting a list of the eliminations among the affiliates for your review.

11) Please provide the total accounts payable from ATU as of December 31, 2013 to the following ATU affiliates:

- Windy City Cellular [REDACTED]
- Windy City Broadband
- Adak Cablevision [REDACTED]

Please provide only an annual dollar amount for each of the three entities above.

Please see the numbers inserted above and the attached summary of accounts payable from ATU to: WCC, Windy City Broadband, and Adak Cablevision as of December 31, 2013 at Exhibit 6. The companies note that customers pay their bills in a lump sum, and the funds are then distributed appropriately to each paid service ordered by the customer. Accordingly, the accounts payable balance at year end is ultimately reconciled during the auditing process and reflects those distributions.

12) Please list any additional sources of revenues that ATU received in 2013, or is expected to receive through 2017, in addition to the End User, Access, State High Cost Support, Federal High Cost Support and affiliates revenues listed above. Please provide the average annual dollar amount for 2013 and the projected average dollar amount for 2014 through 2017 of any additional source of revenue listed.

To the Companies' knowledge, the "Alaska State High Cost Support" mechanisms have not been created, and thus the projected amounts cannot be configured or estimated at this time. ATU does not have any other revenue source upon which it bases its rates, and monies obtained from the "affiliates" are not properly characterized as revenue, but rather these funds are eliminations among the Companies and accordingly, may not always be revenue.

15) For each ATU employee position listed above, please provide the total employment expense for 2013 (actual) and 2014 (projected). The employment expense should include, but not be limited to, wages or salary, vacation time payout, anticipated bonuses, AEE's contribution to any pension plan, AEE's contribution to any 401K or similar retirement plan, AEE's contribution to any health insurance or health benefits plans, AEE's contribution to any life insurance plans, and AEE's contribution to any other benefit for which each position is eligible. Please provide this information in either Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv).

Please see the attachments at Exhibit 7, which include a 2015 projection.

Should you have any questions concerning the foregoing information, please contact the undersigned. Responses to the remaining questions will be forthcoming as quickly as possible.

Respectfully submitted,



Monica S. Desai
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*Counsel to Adak Eagle Enterprises, LLC and
Windy City Cellular, LLC*

EXHIBIT 1 – Cash Balances
Response to Question 1

EXHIBIT 2 – Cash Flow
Response to Question 2

EXHIBIT 3 – Legal and Consulting Fees
Response to Question 7

**EXHIBIT 4 – ATU Total 2013 Revenues
Response to Question 8**

EXHIBIT 5 – Affiliate Revenues
Response to Question 9

EXHIBIT 6 – Accounts Payable Summary
Response to Question 11

EXHIBIT 7 – Employment Expenses
Response to Question 15

EXHIBIT 8 – Declaration of Andilea Weaver

DECLARATION OF ANDILEA WEAVER
ADAK EAGLE ENTERPRISES, LLC AND WINDY CITY CELLULAR, LLC

I, Andilea Weaver, declare the following is true and correct to the best of my knowledge and belief:

I am the Chief Operations Officer of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC (collectively, the Companies). I have reviewed the Companies' supplemental response to the request for additional information issued by the Federal Communications Commission by letter dated August 12, 2014, and the attached Exhibits, and attest – under penalty of perjury – that the facts contained therein are known to me and are accurate.

Executed on this 4th day of September 2014.



Andilea Weaver
Chief Operations Officer
Adak Eagle Enterprises, LLC and
Windy City Cellular, LLC