**Before the**

**Federal Communications Commission**

**Washington, D.C. 20554**

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| In the Matter of  Connect America Fund  A National Broadband Plan for Our Future  Establishing Just and Reasonable Rates for Local Exchange Carriers  High-Cost Universal Service Support  Developing an Unified Intercarrier Compensation Regime  Federal-State Joint Board on Universal Service  Lifeline and Link-Up | )  )  ) WC Docket No. 10-90  )  ) GN Docket No. 09-51  )  )  ) WC Docket No. 07-135  )  )  ) WC Docket No. 05-337  )  ) CC Docket No. 01-92  )  )  ) CC Docket No. 96-45  )  ) ) WC Docket No. 03-109 |

**Comments of the**

**Regulatory Commission of Alaska**

Date: January 18, 2012 T.W. Patch, Chairman

**Before the**

**Federal Communications Commission**

**Washington, D.C. 20554**

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**Comments of**

**the Regulatory Commission of Alaska**

The Regulatory Commission of Alaska (RCA) appreciates the opportunity to file comments in response to the FCC11-161 *Report and Order and Further Notice of Proposed Rulemaking* (FNPRM) concerning the Connect America Fund (CAF) and universal service fund (USF) issues*.[[1]](#footnote-1)* The FNPRM is the next step in reforming the USF mechanisms following numerous changes adopted in the Federal Communications Commission’s (FCC) November 18, 2011 Order, which accompanied the FNPRM. Both the USF and ICC changes continue the process to “modernize and refocus USF and ICC to make affordable broadband available to all Americans and accelerate the transition from circuit switched to IP networks, with voice ultimately one of many applications running over fixed and mobile broadband networks.”[[2]](#footnote-2)

The RCA provides the following comments in response to questions raised in sections A – K of the FNPRM regarding issues that impact Alaska. This is not an exhaustive list of items of interest and concern but reflects items we have identified to date. If additional data pertaining to our comments becomes available, we will provide it to the FCC in subsequent comments.

**Comments regarding USF Reform decisions**

**Changes to support mechanisms will have detrimental impacts on Alaska**

The FCC has received comments and data in many proceedings from Alaska’s carriers and from us on one overarching fact: Alaska is different. Our vast size, small population, extreme weather[[3]](#footnote-3) and landscapes, and high costs have been described in numerous filings.[[4]](#footnote-4) The RCA is concerned that many of the changes adopted in the November 18, 2011 Order will have a significant detrimental impact on our state. While we understand the very real need to reform the universal service support mechanisms and appreciate the difficulty of the task of determining what changes to make, we are concerned that the future support levels for Alaska will not be sufficient to sustain current voice telecommunications operations let alone allow for the deployment of broadband services. Many rural communities may be left behind as the rest of the nation moves forward into the broadband world. The RCA encourages the FCC to again carefully consider Alaska’s needs as it makes decisions to continue its reform of universal service support mechanisms.

**The RCA and other state commissions must be allowed a role in the transition to and implementation of the CAF**

The RCA has the knowledge and expertise needed to make appropriate decisions on waiver requests and reductions in performance obligations, assess penalties on carriers for lack of regulatory compliance, determine whether the CAF Phase II price cap model funding is sufficient and determine the extent to which support should be reduced for a carrier who has an unsubsidized competitor serving in part of its service area. The need for the RCA’s involvement in this process and in a decision making role is essential to protect Alaska consumers and underpins observations made throughout our comments.

**Satellite facilities are not sufficient as the technology of last resort to bring broadband services to Alaska**

The FCC’s proposed Remote Areas Fund (RAF) appears to assume that satellite services will provide a “safety net” for serving very high cost and remote areas. The FCC seems to believe that if mainstream technology is too expensive to serve areas that are sparsely populated or remote, satellite technology, even though it may not be as fast, is always an option. This is not necessarily true, especially in the northern parts of Alaska.[[5]](#footnote-5) The RCA is concerned that, if satellites are used as the default technology for very high cost and remote areas, many Alaska communities will be denied access to universal service comparable to what is enjoyed elsewhere in the nation. According to Microcom, an Anchorage satellite communication systems company,[[6]](#footnote-6) only one advanced generation Ka band satellite will be offering service in Alaska (ViaSat-1) in the foreseeable future and it will be covering only about 1/5th of the state.[[7]](#footnote-7) The RCA urges the FCC to make sure satellite-based service is, indeed, available at affordable rates before it pulls the plug on support for technologies already deployed.

**The Waiver process needs to be streamlined**

The FCC has provided an option for providers to obtain a waiver from its provisions established in the Order in instances of dire need. Alaska includes many difficult-to-serve and high cost locations; therefore, the RCA anticipates a higher percentage of Alaska’s carriers may need to avail themselves of waivers than in other states. For this reason we are concerned that the decisional timeline for waivers not be unnecessarily lengthy. To the extent the reason a waiver is needed is systemic (i.e., the lack of terrestrial backhaul coupled with insufficient satellite capacity), the RCA requests that the FCC accept a waiver request from the RCA on behalf of impacted areas and/or review such waiver requests on a “fast track” timeline of six months or less and apply the waiver to all impacted carriers.[[8]](#footnote-8)

**Responses to Specific Questions in the FNPRM**

**The FCC should not preempt state authority to designate and define obligations of Carriers of Last Resort (COLRs) and Eligible Telecommunications Carriers (ETCs)**

The FCC seeks comment on (1) whether it has authority under Section 214(e)(6) to designate satellite or other providers as ETCs, (2) whether it should change its determination that ETCs must first seek designation from the states and (3) whether it should streamline the process of granting providers a multi-state or nationwide ETC designation[[9]](#footnote-9)

Whether or not satellite providers are made eligible for ETC designation, the FCC should not preempt state authority to designate these and other providers. The FCC should not grant nationwide ETC status to providers as the states have the local knowledge needed to assess a provider’s commitment and capability to provide the services it proposes. It is unlikely that the FCC can adequately evaluate whether an ETC applicant’s proposed technology is the most efficient and cost effective means of serving Alaska locations given Alaska’s unique characteristics. Also, the RCA annually examines reports from all designated ETCs on the use of federal and state support and the adherence to facilities deployment plans. State commissions can more effectively review ETC adherence to obligations made upon designation and should continue in this role.

The FCC states it will not preempt state COLR obligations at this time.[[10]](#footnote-10) However, the RCA is concerned the new support paradigm proposed by the FCC undermines voice COLR obligations in parts of Alaska. It is essential that COLR voice obligations remain intact. The FCC’s option to allow price cap CAF recipients (and thus ETCs) to propose service areas that differ from established study areas could have serious implications for Alaska consumers. For example, it is unclear how state COLR obligations may be affected if the CAF recipient is also a COLR and its CAF service area does not coincide with the area for which it has COLR obligations. Likewise, a COLR that does not ultimately receive CAF support and loses legacy support due to the phase out of that support may be unable to maintain its COLR obligations.

While the FCC claims it is not directly preempting state COLR obligations at this time, indirect preemption may occur as the distribution of CAF support progresses. Therefore, state commissions must maintain their current role in designating ETCs so they can be proactive in coordinating ETC and COLR obligations. Federal and state roles must be coordinated to ensure that universal service in maintained and that consumers are protected.

**Connect America Fund for Rate-of-Return Carriers**

**The interstate rate-of-return should be responsive to changing economic conditions and small carrier profiles should be considered when revising the interstate rate of return**

The FCC seeks comment on the appropriate approach to use to calculate the interstate rate of return for rate-of-return carriers.[[11]](#footnote-11) The FCC states that a preliminary analysis suggests the interstate rate of return should be no more than 9 percent.[[12]](#footnote-12)

The RCA has two concerns regarding the FCC’s preliminary rate-of-return analysis, (1) it appears to be tied to current economic conditions and (2) it appears to consider only very large entities. When the economy turns around, the rate of return set by the FCC in this proceeding may not be adequate to enable small rural providers to attract capital. Subsequent regulatory lag may not allow for timely adjustment to the prescribed rate. The RCA suggests mitigating this issue by allowing adjustments to the risk free interest rate component of the cost of capital by tethering it to the prime interest rate. This would allow some limited variation based on changing economic conditions until the FCC revisits the represcription issue. The FCC is aware that smaller carriers are generally perceived to be riskier than larger ones and, therefore, that investors in smaller carriers may require a higher rate of return. Alaska has many small carriers that would be impacted by a rate of return that is inadequate when compared to their perceived riskiness. For this reason the RCA proposes the inclusion of small company data in any FCC analysis that will determine a new interstate rate of return that will be applied to Alaska providers.

**State Commissions are in the best position to determine areas of overlap between carriers and need to be Involved in Decisions Regarding Elimination of Support for Areas with an Unsubsidized Competitor**

The FCC seeks comment on a methodology for determining areas of overlap between an incumbent rate of return carrier and an unsubsidized competitor for purposes of reducing the incumbent’s support.[[13]](#footnote-13)

Alaska is perhaps unique in that it does not currently have any unsubsidized competitors.[[14]](#footnote-14) This may not remain the case in Alaska, if the FCC implements the components of its Order eliminating identical support. It is not known whether carriers will be able to provide service in some or all of the areas they now serve once support is eliminated. The RCA is concerned that the support may be taken first from the competitive carrier and then from the CAF recipient and neither may be able to sustainably provide service without support.

State commissions are already positioned to make determinations regarding the overlap of service areas and the ability of providers to continue serving without support. A one-size-fits-all formula is not the best approach. Should the FCC conclude that an established procedure must be adopted instead of allowing state commission determinations, the RCA recommends a “pause period” to assess whether unsubsidized service is viable in a particular location before support is removed from the CAF recipient.

**The Preliminary FCC Analysis to identify areas with unsubsidized competitors may have been based on inaccurate data for Alaska**

The FCC seeks comment on the applicability of data from the State Broadband Initiative and TeleAtlas Wire Center Boundaries in determining areas of overlapping carrier service areas.[[15]](#footnote-15)

The RCA suspects the Alaska data used in the FCC’s analysis is not reliable. Prior comments from the RCA and Alaska providers have noted that maps and other data on Alaska service providers and levels of service are flawed.[[16]](#footnote-16) Before the FCC makes decisions about the availability of service in the state, the RCA requests that it, with the help of industry, be allowed to analyze and verify the data upon which the FCC proposes to rely. Assisting in determining the extent of competitive overlap is one of the areas in which the local knowledge of state commissions will be essential to the fairness and accessibility of the process.

The RCA also suggests the need to incorporate parameters to define what the FCC considers “service” by an unsubsidized competitor. For example, if one location within a community is able (both physically and financially) to subscribe to broadband, should that be taken as an indication that the entire community is being served? If defined in such a manner, the RCA believes that such service may not actually be available throughout the area[[17]](#footnote-17) or, if it was deployed to meet the needs of a business, it may not be affordable to the average person in the community. These factors must be taken into account.

**A National Model for calculating support reductions may not be appropriate for Alaska**

The FCC seeks comment on the appropriateness of using a cost model to create a presumptive reduction in support levels for rate-of-return carriers serving areas partially overlapped by an unsubsidized competitor.[[18]](#footnote-18)

The RCA reiterates prior comments regarding the problem of applying a national model to rural areas in Alaska:

No national model has ever been developed that predicts accurately the cost of service throughout rural Alaska. Any model must consider the variety of factors that affect our cost of service including rugged terrain, extreme arctic weather, the presence of permafrost, the lack of road access, a widely dispersed population, remote and insular locations and reliance on satellite transport.

Modeling Alaska's broadband service is made more difficult by differences in network design compared to other states. In Alaska, there are no LA TAs and rural interexchange transport is typically provided through interexchange satellite transport and not through local eligible telecommunications carrier (ETC) networks. As a result, models based on network structures and technologies applicable in the Contiguous United States would be inapplicable to Alaska. Further, few individuals, including those developing cost support models, are likely to have the experience necessary to develop a model that accurately predicts costs of construction in arctic conditions, especially given the variation in those conditions for a state the size of Alaska.

It has not been shown that models are successful at predicting costs of service throughout rural Alaska. Errors or incorrect assumptions, having only minor impact on large companies, may be devastating for small, rural Alaska companies given their limited resources.5 In addition, small rural Alaska companies often lack the resources and expertise needed to develop proposals and advocate for changes that may be needed so that a nationally based model will reasonably predict their costs.[[19]](#footnote-19)

Without the ability to analyze the actual model, the RCA urges the FCC to proceed with caution. The Rural Task Force recommended that the Hybrid Cost Proxy Model used to determine support levels for the urban parts of the country not be applied to the rural areas because of the difficulty in modeling rural areas. The RCA requests that the FCC allow it and affected providers an opportunity to assess the proposed model with regard to Alaska, before it is finalized and implemented

**State Commissions should have input on support adjustments**

The FCC asks whether it should seek input from relevant state commissions on whether support amounts should be adjusted, and how that would impact consumers in the relevant communities.[[20]](#footnote-20) The RCA strongly advocates for state commissions being involved in decisions about adjusting support amounts. Even if the RCA is afforded the opportunity to vet the model being developed, as suggested earlier, issues not initially considered in the model may need to be factored in. The RCA is familiar with the characteristics of particular locations in the state, the carriers serving them and the consumers living there and is better positioned to assess whether proposed reductions are appropriate.

**Mobility Fund**

**Modification of performance requirements should not result in substandard or unacceptable service quality**

The FCC asks whether performance obligations should be modified for providers in Alaska that depend on satellite backhaul and have no affordable fiber-based terrestrial transport. The FCC also asks if funded deployments should be required to maintain local connectivity, if satellite backhaul fails.[[21]](#footnote-21)

Performance obligations for satellite-based services are an issue for services supported by both the mobility fund and the RAF. The extent of the funding made available will impact the quality of services deployed. The RCA believes that the timeline for meeting performance obligations may need to be modified; however, funding levels should not be reduced to a level where service quality and capacity performance decline and put the health and safety of communities at risk. Performance obligations may not need to be modified significantly if adequate funding is available. Microcom commented that providers are likely to take a subsidy only if it is sufficient to meet performance requirements. [[22]](#footnote-22)

The RCA is concerned that funding may not be adequate to ensure a reasonable level of universal service, particularly with regard to the RAF. By determining the funding level of $100 million at the outset, the FCC constrains the level of service that can be deployed. Although the determination of what locations are going to be funded by the RAF has not yet been made, it is certain that parts of Alaska will be included and be subject to whatever reduced performance obligations this funding will support.

**Local connectivity must continue during satellite outages**

Local connectivity must be maintained for both mobile and RAF networks in the event of satellite failure to ensure uninterrupted local communications. Local communications are essential for emergency services and other necessary communications particularly during times of crisis. The technology exists to do this and should be required. For example, GCI has deployed wireless services to remote communities using stand alone local switches that provide local connectivity in the event of satellite failure.

In prior comments, Microcom described the difficulties that would ensue if residents in remote communities with VoIP services could call each other only over dual hop satellite. Microcom concludes that satellite is a viable means of reaching the rest of the world, but it is not effective in serving the needs within a community.[[23]](#footnote-23)

The RCA concurs with Microcom’s closing statement, that satellite is not an effective means of serving the needs within a community. For locations that have access to satellite (see footnote 5 above), it may be part of the solution to providing broadband and telecommunications affordably, but satellite does not replace the need for a local internet and/or telephone network. Both needs – for local connectivity and for connection to the outside world – are part of universal service and must be included in the FCC’s funding mechanisms.

**Funding for Alaska is needed if broadband is to be deployed in remote areas**

The FCC seeks comment on setting aside a portion of Tribal area funding for carriers serving Alaska. The FCC seeks comment on an appropriate amount of funding and whether it should be focused on middle mile connectivity.[[24]](#footnote-24)

The RCA supports dedicating funding to Alaska to advance deployment of broadband infrastructure. However, the RCA would require additional time to assess cost estimates before suggesting an amount for such funding to the FCC.

**CAF for Price Cap Carriers**

**Price cap carriers should be eligible to participate in reverse auctions**

The FCC seeks comment on whether price cap carriers that decline to make a state-level commitment should be eligible to participate in reverse auctions.[[25]](#footnote-25)

Price cap carriers should be allowed to participate in reverse auctions for funding. In Alaska, the price cap carrier may be the only provider willing and capable of deploying broadband services in some areas within proposed funding amounts. Participation by price cap carriers may increase competition and result in lower bids. This point was made in comments filed with the RCA by Alaska Communications Systems (ACS), Alaska’s only price-cap carrier.[[26]](#footnote-26)

**Initial relaxation of performance standards may encourage the use of varied technologies but reasonable service quality must be maintained**

The FCC seeks comment on relaxation of broadband performance requirements in order to expand the pool of technologies eligible to compete for universal service support. The FCC asks how to weigh the public interest tradeoffs between offering higher quality to fewer customers vs. accepting lower quality for some customers in order to serve more total customers[[27]](#footnote-27).

The RCA is concerned that performance requirements may be “dumbed down” in some locations to the point that consumers are receiving substandard service. On the other hand, there may not be bidders willing to serve some areas unless obligations are relaxed. Therefore, the RCA believes the performance standards should be relaxed, but that incentives must be included to improve performance over time to prevent some communities being permanently relegated to substandard service. Perhaps a bidding credit could be provided to carriers that promise to improve the performance measures by some amount within the first three years of the support award. A carrier that does not achieve the promised improvement would then be subject to penalties.

**Public interest tradeoffs should be balanced over time.**

To the extent performance standards are relaxed for providers serving remote areas, these same communities should be designated for increased funding in later phases of the CAF. Otherwise some parts of the country may be perpetually left behind.

**Support recipients should provide service throughout the area for which they receive support**

The FCC seeks comment on whether universal service support recipients should be required to provide service to as many locations as request service in their areas during the term of support or whether the service requirement should be limited, consistent with limiting the total amount of support.[[28]](#footnote-28)

The estimated cost of growth in locations to be served should be factored into both the CAF model calculations and the price cap area bids. If a carrier denies service it must provide the appropriate authority with an explanation for why the request for service was unreasonable. If there is an extreme situation, such as what ACS described in its filing with the RCA, it should request a waiver from the requirement to serve the location:

ACS believes that the number of locations should be limited to the number of, and geographic location of, locations at the time of auction. While ACS can plan for some growth in some areas, the economic realities of a state reliant on natural resource development… Unforeseen resource development projects may pop up in remote parts of sparsely populated census blocks that would impose financial harm if a carrier is obligated to serve that facility and its workers…[[29]](#footnote-29)

This situation highlights the potential conflict between (1) the modified support mechanisms adopted and under development by the FCC, (2) the historic responsibility of carriers of last resort (COLR) to provide universal service and (3) the state commissions that ensure that the public is served. While the FCC has stated in its Order that it not preempting the authority of the states because they retain the authority over COLRs, it appears to be an unfunded mandate. As previously expressed in its comments, the RCA strongly opposes any preemption by the FCC of its authority over state ETC designations and COLR obligations.

**REMOTE AREAS FUND**

**The RCA recommends the competitive proposal evaluation approach**

The FCC seeks comment on how to structure the Remote Areas Fund.[[30]](#footnote-30)Paragraphs 1225 to 1228 of the FCC Order discuss alternative ways to structure the fund. The FCC proposes to provide a portable consumer subsidy, similar to what is provided to Lifeline customers. Other alternatives include, competitive bidding and a competitive proposal evaluation/request for proposal process. The FCC has also requested comments on other ways to structure the RAF.

The RCA has concerns with all of the options proposed by the FCC primarily because, the size of the fund has been established without consideration of the level of service the funding will be able to provide. The use of a portable consumer subsidy could potentially allow for the types of abuses currently seen in the Lifeline fund and may not incent the infrastructure development that is needed in Alaska. The RCA believes the best option out of those presented, is the competitive proposal evaluation, which would allow an opportunity to compare options with potentially different service qualities. In addition, state commissions should be involved in evaluating such proposals.

**Comments on Petitions for Reconsideration**

The RCA would like to take this opportunity to support concepts raised by Alaska carriers in their petitions for reconsideration of the FCC Order. Specifically, General Communication, Inc. (GCI) proposed in its petition that the interim funding cap imposed during the phase out of identical support for remote areas of Alaska be modified, to include support received by all competitive carriers without exclusion.[[31]](#footnote-31) The RCA believes this change would be both fair and in the public interest because it is treating all of the carriers in a consistent manner.

In addition, the RCA concurs with the Alaska Rural Coalition’s position that a slower transition path that will be applied to competitive carriers in remote Alaska, is also appropriate for incumbent carriers that serve those same locations. Despite the fact that incumbent carriers will not have their support completely eliminated at the end of the transition period, reductions that result from the changes to the support calculations will be substantial.[[32]](#footnote-32)

RESPECTFULLY SUBMITTED this 18th day of January, 2012

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Regulatory Commission of Alaska

T.W. Patch, Chairman

1. *In the Matter of 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*,* Further Notice of Proposed Rulemaking*,* FCC 11-161 released November 18, 2011. 76 Federal Register. 73830 (November 29, 2011). [↑](#footnote-ref-1)
2. Notice of proposed rulemaking released February 9, 2011 at 10. [↑](#footnote-ref-2)
3. Cordova, Alaska has received more than 18 feet of snow in recent weeks, which has caused extensive damage: <http://www.adn.com/2012/01/08/2252518/alaska-town-tries-to-dig-out-from.html> [↑](#footnote-ref-3)
4. E.g., *see*, RCA April 18, 2011 comments in this docket. [↑](#footnote-ref-4)
5. From [www.glorystar.tv](http://www.glorystar.tv): Satellite signals will not travel through leaves, branches buildings or overhangs. There must be a direct line of sight to the satellite to receive Glorystar channels. In North America, the satellites are always located to the South. Imagine a point in the sky that is located over the equator in line with Mexico and Texas. If you live in the East, the satellites will be located Southwest of your location, If you are in the West, the satellites are Southeast. In Mexico the satellites are very high in the sky, but in Canada, Alaska and Hawaii, the satellites are very low near the horizon.

   From [WWW.inmarsat.com](http://WWW.inmarsat.com): BGAN is delivered via [three satellites](http://www.inmarsat.com/Downloads/English/Land_services/Land_coverage.pdf?language=EN&textonly=False) that make up the[Inmarsat-4](http://www.inmarsat.com/About/Our_satellites/The_Inmarsat-4s.aspx?language=EN&textonly=False) (I-4) network. All three I-4 satellites cover all surfaces of the earth, except for extreme polar regions. It is one network meaning you can establish a broadband or voice connection wherever your job takes you. [↑](#footnote-ref-5)
6. From website: <http://www.satellitetvanchorage.com/> [↑](#footnote-ref-6)
7. See also, comments of Microcom filed in this docket on January 5, 2012. [↑](#footnote-ref-7)
8. Additional concerns regarding the waiver process were raised by the Alaska Rural Coalition in its December 29, 2011 Petition for Reconsideration (ARC Petition.) Page 15: “The administrative and financial burden of meeting that waiver standard…is a remedy as painful to the carrier as the problem.” [↑](#footnote-ref-8)
9. Paragraph 1235 [↑](#footnote-ref-9)
10. Paragraph 82. [↑](#footnote-ref-10)
11. Order at ¶1044. [↑](#footnote-ref-11)
12. Paragraph 1057: A preliminary analysis based on public data for AT&T and Verizon results in a rate of return in the range of 6 to 8 percent and suggests that the interstate rate of return should be no more than 9 percent. [↑](#footnote-ref-12)
13. ¶ 1061 How should the FCC determine and measure the overlap of a carrier’s study area with the serving area of an unsubsidized competitor? What process should the FCC adopt for affected Eligible Telecommunications Carriers (“ETCs”) to challenge the accuracy of the purported overlap? How should support be adjusted for areas of less than 100% overlap? [↑](#footnote-ref-13)
14. [↑](#footnote-ref-14)
15. Paragraph 1064 or 1062-1070? We seek comment on whether this [an analysis based on TeleAtlas Wire Center Boundaries and data from the State Broadband Initiative] is an appropriate methodology for determining areas of overlap, which will result in adjustments to support levels for the rate-of-return ETC [↑](#footnote-ref-15)
16. See, Comments of Microcom filed January 5, 2012 referencing paragraph 1230. Also, e.g., the FCC’s Rate of Return Resources map of Regulatory Type at the Holding Company Level by Study Area indicates AT&T Alascom as the LEC in some parts of the state where it functions only as an interexchange carrier. [↑](#footnote-ref-16)
17. Alaska census blocks are large and may include unconnected communities with differing levels of infrastructure. [↑](#footnote-ref-17)
18. Paragraph 1076 [↑](#footnote-ref-18)
19. Comments of the Regulatory Commission of Alaska In the Matter of Connect America Fund (WC Docket No. 10-90), A National Broadband Plan for Our Future (GN Docket No. 09-51) and High-Cost Universal Service Support (WC Docket No. 05-337), Pages 3 and 4. [↑](#footnote-ref-19)
20. Paragraph 1077. [↑](#footnote-ref-20)
21. Paragraph 1168…to the extent that providers in Alaska may be dependent on satellite backhaul for middle mile, should we modify our Mobility Fund II performance obligations for some limited period of time, similar to what we adopt more generally as a performance obligation for ETCs? Should a similar accommodation be made for areas in which there is no affordable fiber-based terrestrial backhaul capability? If so, how should the Commission define affordability for these purposes? Further, in areas with only satellite backhaul, should we require funded deployments to be able to support continued local connectivity in case of failure in the satellite backhaul? [↑](#footnote-ref-21)
22. Comments from Microcom to the RCA, page 2. **T**his is a money issue not a technical issue in areas served by satellite backhaul. They [satellite service providers] will provide the level of service they can afford. Determine the money and then you can determine the performance. [↑](#footnote-ref-22)
23. Microcom’s FCC comments, page 2- While satellite broadband is certainly capable of supporting VOIP, anyone who has ever placed a dual hop satellite telephone call understands the problems with this service. By making VOIP a standalone obligation of ETCs that are satellite broadband carriers, the Commission creates the possibility of creating a collection of users with common interests in a remote area whose only method of calling each other is over dual hop satellite. Rural Alaska has faced this dual hop problem since the 1970’s with the advent of a state wide C-band satellite network. Only later did regional hubs with DAMA type services eliminate some of the dual hop telephone traffic. In our previous comments, we indicated there is some value in local broadband networks. Handling VOIP is just one of those functions. Satellite is a viable means of reaching the rest of the world, but it is not effective serving the needs within a community. [↑](#footnote-ref-23)
24. Paragraph 1172: Should an amount of any Tribal funding be set aside only for carriers serving Alaska to ensure some minimal level of funding representative of the need in that state? If so, what should the size of that set aside be? If there is a funding amount set aside for Alaska, should it be focused on middle mile connectivity? [↑](#footnote-ref-24)
25. Paragraph 1198 The proposed framework will provide the winner with the universal service support for the area it pledges to serve in accordance with required service specifications for a period of 5 years. The suggested term for support, the obligations assumed and all other details are open to comment. The specific question in this paragraph is whether the incumbent carrier, after declining to make a statewide commitment to serve wherever it is certificated in a state should still be allowed to participate by bidding for a smaller area. [↑](#footnote-ref-25)
26. Preliminary Comments of Alaska Communications Systems filed with the RCA in Docket No. R-10-03 on December 30, 2011 (ACS comments), page 5. [↑](#footnote-ref-26)
27. Paragraph 1204 [↑](#footnote-ref-27)
28. Paragraph 1205. [↑](#footnote-ref-28)
29. ACS comments, pages 6 – 7. [↑](#footnote-ref-29)
30. Paragraph 1225 [↑](#footnote-ref-30)
31. General Communication, Inc. Petition for Reconsideration, December 23, 2011, (GCI Petition) pages 9 – 14. AT&T’s approximately $19 million of funding is not included in the common pool of funds available for redistribution among all areas that were granted a two year deferral of the identical support phase down. Allowing AT&T’s funding to remain frozen while all other carriers’ support is subject to possible reduction is unfair and, for the reasons cited in the GCI Petition, does not provide AT&T with incentive to provide quality service [↑](#footnote-ref-31)
32. Alaska Rural Coalition Petition for Reconsideration, December 29, 2011, pages 5 – 8. [↑](#footnote-ref-32)