

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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|-------------------------------------------|---|----------------------|
| In the Matter of                          | ) |                      |
|                                           | ) |                      |
| Adak Eagle Enterprises, LLC and           | ) | WC Docket No. 10-90  |
| Windy City Cellular, LLC                  | ) |                      |
|                                           | ) | WT Docket No. 10-208 |
| Petitions for Waiver of Certain High-Cost | ) |                      |
| Universal Service Rules                   | ) |                      |

**ORDER**

**Adopted: July 15, 2013**

**Released: July 15, 2013**

By the Chief, Wireline Competition Bureau and the Chief, Wireless Telecommunications Bureau:

**I. INTRODUCTION**

1. In this order, we deny the petition of Windy City Cellular, LLC (WCC) for a waiver of section 54.307(e) of the Commission's rules, which established a \$250 per line per month cap on high-cost universal service support for competitive eligible telecommunications carriers (ETCs).<sup>1</sup> We also deny the petition filed by Adak Eagle Enterprises, LLC (AEE) for a waiver of section 54.302 of the Commission's rules, which established a \$250 per line per month cap on high-cost universal service support for carriers generally.<sup>2</sup> WCC and AEE have not shown good cause for a waiver at this time. In particular, the companies have not demonstrated that their costs are reasonable.<sup>3</sup> Although WCC and AEE have submitted plans to reduce certain costs,<sup>4</sup> these plans fail to adequately address key ongoing expenses, including, for example, disproportionate executive compensation relative to the size of the

<sup>1</sup> Windy City Cellular, LLC Petition for Waiver of Section 54.307(e) of the Commission's Rules, WC Docket No. 10-90, WT Docket No. 10-208 (filed Apr. 3, 2012) (WCC Petition); *see also Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *pets. for review pending, sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); 47 C.F.R. § 54.307(e). In a supplemental filing, on May 4, 2012, WCC alternatively requested a full waiver of the \$250 cap for two years and, if feasible, application of the waiver retroactively to January 1, 2012, the date that the reduction in funding became effective. *See* Letter from Monica S. Desai, Counsel to WCC, to Marlene H. Dortch, Secretary, FCC, Ex Parte Notice and Supplement to Windy City Petition for Waiver, WC Docket No. 10-90, WT Docket No. 10-208, dated May 4, 2012 (WCC May 4, 2012 Ex Parte).

<sup>2</sup> Adak Eagle Enterprises, LLC Petition for Waiver of Section 54.302 of the Commission's Rules, WC Docket No. 10-90, WT Docket No. 10-208 (filed May 22, 2012). AEE initially filed its petition on May 9, 2012, but filed a revised version to modify language explaining how AEE will be impacted by the \$250 cap, and providing updated exhibits. *See* Letter from Jennifer L. Richter, Counsel to AEE, to Marlene H. Dortch, Secretary, FCC, Petition for Waiver, WC Docket No. 10-90, WT Docket No. 10-208, dated May 22, 2012 (AEE Petition); 47 C.F.R. § 54.302.

<sup>3</sup> *See USF/ICC Transformation Order*, 26 FCC Rcd at 17839-40, paras. 539-40.

<sup>4</sup> *See, e.g.*, Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed May 31, 2013) (AEE May 31, 2013 Ex Parte); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Submission of Supplemental Information, WC Docket No. 10-90 et al. (filed May 15, 2013) (May 15th Ex Parte); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed Apr. 12, 2013) (April 12th Ex Parte).

companies.<sup>5</sup> Universal service support is a finite resource paid for by consumers and businesses across the country, and we will not grant additional universal service funds to support unreasonable expenses, such as disproportionate executive compensation. We also deny WCC's petition due to the presence of an alternative service provider on Adak Island. Based on the information the companies have provided, we believe that the residents of and visitors to Adak Island will continue to have access to both wireline and wireless voice service without the grant of a waiver here. However, in order to minimize any potential for disruptions affecting consumers on Adak Island, we provide AEE and WCC an additional six months of support at their current interim support levels, after which they will continue to receive support consistent with our rules.

## II. BACKGROUND

2. In the *USF/ICC Transformation Order*, the Commission comprehensively reformed federal universal service funding for high-cost, rural areas, adopting fiscally responsible, accountable, incentive-based policies to preserve and advance voice and broadband service while ensuring fairness for consumers and businesses who ultimately pay into the universal service fund.<sup>6</sup> The reforms include phasing down existing competitive ETC support over a five-year period and transitioning to the Mobility Fund, which will provide support for mobile voice and broadband service within the Connect America Fund.<sup>7</sup> The Commission delayed the phase down for competitive ETCs serving remote parts of Alaska by two years, but implemented a cap to contain growth of the fund during that time (Remote Alaska Cap).<sup>8</sup> As part of the Remote Alaska Cap, support to competitive ETCs serving remote parts of Alaska was limited to \$3,000 per line per year (equivalent to \$250 per line per month) beginning January 1, 2012.<sup>9</sup>

3. In addition, the Commission adopted new section 54.302, establishing a presumptive per line cap of \$250 per month on total high-cost universal service support for all eligible telecommunications carriers, including incumbent local exchange carriers (LECs).<sup>10</sup> The Commission concluded that support in excess of that amount should not be provided without further justification.<sup>11</sup> The Commission provided that the cap set forth in section 54.302 would be phased in over three years. From July 1, 2012 through June 30, 2013, carriers will receive no more than \$250 per line per month plus two-thirds of the difference between their uncapped per-line amount and \$250. From July 1, 2013 through June 30, 2014, carriers will receive no more than \$250 per line per month plus one-third of the difference between their uncapped per-line amount and \$250. Beginning July 1, 2014, carriers will receive no more than \$250 per line per month.

4. The Commission also instituted a waiver process to allow "any carrier negatively affected by the universal service reforms . . . to file a petition for waiver that clearly demonstrates that good cause exists for exempting the carrier from some or all of those reforms, and that waiver is necessary and in the public interest to ensure that consumers in the area continue to receive voice service."<sup>12</sup> In the *USF/ICC*

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<sup>5</sup> See *USF/ICC Transformation Order*, 26 FCC Rcd at 17839-40, paras. 539-40.

<sup>6</sup> See *id.* at 17670, para. 11.

<sup>7</sup> See generally *USF/ICC Transformation Order*.

<sup>8</sup> *Id.* at 17835-36, para. 529.

<sup>9</sup> *Id.*; see also *id.* at n.880; 47 C.F.R. § 54.307(e)(3)(v).

<sup>10</sup> 47 C.F.R. § 54.302.

<sup>11</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17765, para. 274.

<sup>12</sup> *Id.* at 17839-40, paras. 539-40. The Commission's intent in discussing waivers relating to reductions in federal universal service fund (USF) support was not to replace the ordinary standard for granting waivers under section 1.3 of the Commission's rules, but rather to provide guidance in advance to potential applicants of the circumstances that would be persuasive and compelling grounds for grant of a waiver under that waiver standard to assist potential

*Transformation Order*, the Commission stated that “[w]e envision granting relief only in those circumstances in which the petitioner can demonstrate that the reduction in existing high-cost support would put consumers at risk of losing voice services, with no alternative terrestrial providers available to provide voice telephony service.”<sup>13</sup> In the *Fifth Order on Reconsideration*, the Commission further clarified that “we envision granting relief to incumbent telephone companies only in those circumstances in which the petitioner can demonstrate that consumers served by such carriers face a significant risk of losing access to a broadband-capable network that provides both voice as well as broadband today, at reasonably comparable rates, in areas where there are no alternative providers of voice or broadband.”<sup>14</sup> In delegating to the Wireline Competition Bureau (Wireline Bureau) and Wireless Telecommunications Bureau (Wireless Bureau) (collectively, Bureaus) the authority to approve or deny all or part of requests for waiver,<sup>15</sup> the Commission indicated that it did not anticipate granting waiver requests routinely or for “undefined duration[s].”<sup>16</sup> The Commission provided guidance on the types of information that would be relevant for such waiver requests and delegated authority to the Bureaus to rule on all such requests.<sup>17</sup>

5. AEE and its wireless subsidiary, WCC,<sup>18</sup> have both filed waiver petitions to maintain their respective service on Adak Island, which is located at the western extent of the Aleutian Islands approximately 1,200 miles southwest of Anchorage, Alaska.<sup>19</sup> AEE assumed operation of Adak’s telephone system in 2003, and WCC has been providing wireless service to Adak Island since 2009.<sup>20</sup> According to the 2010 United States census data, Adak Island has a total population of 326.<sup>21</sup> WCC acknowledges that another wireless carrier operates on the island, but claims that it is the only wireless carrier that provides service “to the entirety of the Adak area in the Aleutian Islands, including the areas

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applicants in effectively formulating their waiver petitions. See *Connect America Fund et al.*, WC Docket No 10-90 et al., *Fifth Order on Reconsideration*, 27 FCC Rcd 14549, 14556-57, para. 19 (2012) (*Fifth Order on Reconsideration*). Generally, the Commission’s rules may be waived if good cause is shown. 47 C.F.R. § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166. Waiver of the Commission’s rules is appropriate only if both (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest. *Northeast Cellular*, 897 F.2d at 1166.

<sup>13</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17840, para. 540.

<sup>14</sup> *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 21.

<sup>15</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17840, 17842, paras. 540, 544.

<sup>16</sup> *Id.* at 17766, para. 278.

<sup>17</sup> *Id.* at 17840-42, paras. 542, 544.

<sup>18</sup> AEE formed WCC in 2010 as “AEE’s wireless affiliate” to provide “wireless cellular telephone service in Adak,” but AEE/WCC also provide “Internet services in the Adak area through a digital fiber-optic network.” AEE Petition at 7-8; WCC Petition at 5.

<sup>19</sup> WCC Petition at 3

<sup>20</sup> AEE Petition at 7; WCC Petition at 6.

<sup>21</sup> AEE Petition at 5-6. AEE states that given changes in the fishing industry, the population dwindled to close to 100 people, although that number may increase with the new Icicle Seafoods plant on the island. In its May 15, 2013 filing, AEE noted that Icicle Seafoods is closing its plant in 2013, and the future of the facility is uncertain. See May 15th Ex Parte at 1.

that extend into the sea and Aleutian Wilderness.”<sup>22</sup> According to WCC, this area covers approximately 61,000 acres, roughly half of which was formerly a United States Naval Complex.<sup>23</sup>

6. AEE and WCC combined received a total of \$4,194,093 in federal high-cost universal service support in 2011.<sup>24</sup> Of this amount, AEE received \$2,678,285 and WCC received \$1,515,808 respectively.<sup>25</sup> The federal high-cost universal service support for both companies was comprised of High Cost Loop Support, Interstate Common Line Support and Local Switching Support.

7. *WCC’s Waiver Petition.* On April 3, 2012, WCC filed a petition for waiver of section 54.307(e) of the Commission’s rules, seeking support at the rate of \$880.09 per line per month for its wireless service on Adak Island.<sup>26</sup>

8. The Wireless Bureau sought comment on the WCC Petition on April 12, 2012.<sup>27</sup> Through WCC, a number of parties filed in support of the WCC Petition.<sup>28</sup> Alexicon Telecommunications Consulting filed comments in support of the WCC Petition, asserting that WCC has provided ample evidence to support its claim that application of the \$250 cap would be detrimental to its customers.<sup>29</sup> In a supplemental filing, on May 4, 2012, in contrast to the initial relief sought, WCC alternatively requested a full waiver of the \$250 cap for two years, to be applied, if feasible, from January 1, 2012, the date that the reduction in funding became effective.<sup>30</sup> WCC stated that a full waiver may be easier to implement, is consistent with the Commission’s decision in other USF contexts to adopt a delayed transition plan, and would allow WCC to continue to provide critical wireless and broadband services.<sup>31</sup>

9. *AEE’s Waiver Petition.* On May 22, 2012, AEE filed a petition for waiver of section 54.302 of the Commission’s rules, the provision limiting high-cost support for all ETCs and incumbent LECs to no more than \$250 per line per month.<sup>32</sup> Prior to the issuance of the *USF/ICC Transformation*

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<sup>22</sup> WCC Petition at 2.

<sup>23</sup> *Id.* at 4. Today much of the island is part of the Alaska Maritime National Wildlife Refuge. *Id.*

<sup>24</sup> Federal Communications Commission Response to House Committee on Energy and Commerce USF Data Request (July 9, 2012), *available at* [http://transition.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/IAD/2012responses.pdf](http://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2012responses.pdf).

<sup>25</sup> *Id.* at 6-2, 6-4.

<sup>26</sup> WCC Petition at 25. For further, more detailed information on the WCC Petition and the filings related to it, *see Connect America Fund; Universal Service Reform – Mobility Fund; Petition for Waiver of Windy City Cellular, LLC*, WC Docket No. 10-90, WT Docket No. 10-208, Order, 27 FCC Rcd 6224, 6226, paras. 5-8 (Wireless Tel. Bur. 2012) (*WCC Interim Relief Order*).

<sup>27</sup> *Wireless Telecommunications Bureau Seeks Comment on Windy City Cellular, LLC Petition for Waiver of Universal Service Rules*, WC Docket No. 10-90, WT Docket No. 10-208, Public Notice, 27 FCC Rcd 3976 (Wireless Tel. Bur. 2012).

<sup>28</sup> *See* WCC Petition, Tab A, and WCC May 4, 2012 Ex Parte, Attach. A.

<sup>29</sup> Comments of Alexicon Telecommunications Consulting, WC Docket No. 10-90, WT Docket No. 10-208 (filed May 14, 2012).

<sup>30</sup> *See* WCC May 4, 2012 Ex Parte.

<sup>31</sup> *Id.* at 2-3.

<sup>32</sup> AEE initially filed its petition on May 9, 2012, but filed a revised version to modify language explaining how AEE will be impacted by the \$250 cap, and providing updated exhibits. *See* AEE Petition.

*Order*, AEE received total support of \$2,678,285<sup>33</sup> for 171 loops at year-end 2011,<sup>34</sup> or approximately \$1,305 per loop per month.<sup>35</sup> AEE claims that a waiver is necessary to avoid the loss of “all communications services, both wireline and wireless, for the Adak community” and to ensure that it does not default on its Rural Utilities Service (RUS) loans.<sup>36</sup> AEE argues that, at a minimum, a two year implementation delay similar to that provided to wireless carriers serving remote Alaskan communities<sup>37</sup> should be granted to AEE.<sup>38</sup> AEE states, however, that AEE will not be able to sustain service even after a two year implementation delay if its support is cut at that time.<sup>39</sup> AEE further alleges that the Commission’s reforms constitute a confiscatory taking and violate the Administrative Procedure Act.<sup>40</sup>

10. In its petition, AEE states that it is the only carrier providing wireline voice service to Adak Island.<sup>41</sup> AEE argues that it is expensive to provide telecommunications services to the Adak area because the island is remote and is one of the most climatically inhospitable areas in the country.<sup>42</sup>

11. On May 31, 2012, the Wireline Bureau sought comment on AEE’s Petition.<sup>43</sup> The Alaska Rural Coalition (ARC) filed comments in support of AEE’s petition,<sup>44</sup> and the National Telecommunications Cooperative Association (NTCA) subsequently filed a letter in support of AEE’s petition.<sup>45</sup> General Communications, Inc. (GCI) initially filed comments stating that it neither supported nor opposed the AEE Petition, but clarified that it would continue to provide service on Adak Island even if AEE or WCC ceased operations.<sup>46</sup>

12. *Subsequent Filings by AEE/WCC and Other Parties.* After the conclusion of the pleading cycles for the WCC and AEE Petitions, the petitioner submitted a number of *ex parte* filings, both in response to requests from the Bureaus’ staff and in response to *ex parte* filings from other parties.

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<sup>33</sup> Federal Communications Commission Response to House Committee on Energy and Commerce USF Data Request (July 9, 2012), available at [http://transition.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/IAD/2012responses.pdf](http://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/2012responses.pdf).

<sup>34</sup> See National Exchange Carrier Association, Inc. (NECA), Universal Service Fund Data: NECA Study Results, 2012 Report (filed Sept. 28, 2012), available at <http://www.fcc.gov/wcb/iatd/neca.html> (2012 NECA Study Results Report).

<sup>35</sup> We note that the \$1,305 per loop per month amount is different than the amount (\$1,394) stated in AEE’s petition, which is likely due to variations in loop counts. See AEE Petition at 4.

<sup>36</sup> *Id.* at 2. See also Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al., at 2-3 (filed May 22, 2013) (AEE May 22, 2013 Ex Parte).

<sup>37</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17835, para. 529.

<sup>38</sup> See AEE Petition at 14.

<sup>39</sup> *Id.*

<sup>40</sup> See *id.* at 31.

<sup>41</sup> See *id.* at 2.

<sup>42</sup> *Id.*

<sup>43</sup> See *Wireline Competition Bureau Seeks Comment on Adak Eagle Enterprises, LLC d/b/a Adak Telephone Utility Petition for Waiver of Certain High-cost Universal Service Rules*, WC Docket No. 10-90, WT Docket No. 10-208, Public Notice, 27 FCC Rcd 5952 (Wireline Comp. Bur. 2012).

<sup>44</sup> Comments of the Alaska Rural Coalition, WC Docket No. 10-90, WT Docket No. 10-208, at 5-6 (filed July 2, 2012).

<sup>45</sup> See Letter from Michael R. Romano, Senior Vice President-Policy, NTCA to Marlene H. Dortch, Secretary, FCC, Ex Parte Comments, WC Docket No. 10-90, WT Docket No. 10-208 (filed July 31, 2012).

<sup>46</sup> Comments of GCI, WC Docket No. 10-90, WT Docket No. 10-208, at 1 (filed July 2, 2012).

13. GCI, which originally neither supported nor opposed the AEE and WCC Petitions, subsequently indicated that it opposed the respective petitions of AEE and WCC because of the inefficiencies inherent in AEE and WCC's operations that increase the support dollars needed for AEE and WCC to provide service.<sup>47</sup>

14. In its reply comments and subsequent filings, AEE/WCC contends that GCI does not possess the required facilities and equipment to offer services equivalent to what AEE/WCC provides, that GCI's wireless service is dependent on AEE facilities and infrastructure, and that GCI cannot provide comprehensive service to Adak Island today.<sup>48</sup> Finally, AEE contends that without a waiver, the public interest will be harmed because it will be forced to default on its RUS loan and declare bankruptcy.<sup>49</sup>

15. In response, GCI maintains that if AEE or WCC is unable to continue operations, GCI will continue to provide services on Adak so that "Adak Island will not 'go dark.'"<sup>50</sup> GCI further adds that it is "fully capable of setting up the infrastructure necessary to continue providing service to Adak in a relatively short amount of time [120 days], for no more USF funding than currently supports service."<sup>51</sup>

16. In November 2012, the Bureaus' staff requested additional data and information from AEE and WCC. In response, AEE and WCC filed data with the Bureaus on November 15, 2012 and November 20, 2012.<sup>52</sup>

17. *Interim Relief.* On June 12, 2012, the Wireless Bureau granted WCC interim relief from section 54.307(e), authorizing additional support in a fixed amount of \$40,104 per month, for a period of at least three months and up to six months, or until the Wireless Bureau resolved the WCC Petition, whichever came first.<sup>53</sup> Because the Bureaus had requested additional data and information from AEE and WCC, the WCC Petition remained pending at the end of the six month period.

18. Therefore, on December 20, 2012, the Bureaus approved additional relief to provide both WCC and AEE with interim support in the amounts of \$40,104 per month and \$33,276 per month,

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<sup>47</sup> See Letter from John T. Nakahata, Counsel to GCI, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, dated Aug. 29, 2012, at 7-9 (GCI August 29th Ex Parte).

<sup>48</sup> Reply Comments of AEE, WC Docket No. 10-90, WT Docket No. 10-208, at 2-3. (July 16, 2012) (AEE Reply Comments); See Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed Aug. 21, 2012); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed Aug. 23, 2012); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed Sept. 4, 2012) (AEE Sept. 4th Ex Parte).

<sup>49</sup> AEE Reply Comments. at 5-6.

<sup>50</sup> See Letter from John T. Nakahata, Counsel to GCI, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, dated May 24, 2013 (GCI May 24, 2013 Ex Parte); see also Letter from John T. Nakahata, Counsel to GCI, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, dated May 30, 2013 (GCI May 30, 2013 Ex Parte); see also GCI August 29th Ex Parte at 2, 4.

<sup>51</sup> See GCI May 24, 2013 Ex Parte; see also GCI May 30, 2013 Ex Parte; Letter from John T. Nakahata, Counsel to GCI, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, dated Aug. 6, 2012, at 3 (GCI August 6th Ex Parte).

<sup>52</sup> See Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte and Submission of Supplemental Information, WC Docket No. 10-90 et al. (filed Nov. 20, 2012); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Notice of Ex Parte and Submission of Supplemental Information, WC Docket No. 10-90 et al. (filed Nov. 15, 2012).

<sup>53</sup> *WCC Interim Relief Order*, 27 FCC Rcd at 6227-28, paras. 13-16 (providing details on how the Wireless Bureau determined the amount of support, and explaining the term of the interim support).

respectively.<sup>54</sup> The interim relief was provided for six months or until the Bureaus resolved the petitions, whichever came first.<sup>55</sup> The interim relief was also subject to true-up following the final determination of the Bureaus on the merits of the WCC and AEE Petitions.<sup>56</sup>

19. Since the interim relief was granted, the companies have communicated with Commission staff on numerous occasions.<sup>57</sup>

20. On June 14, 2013, the Bureaus approved additional interim relief in the form of one month of interim support, to allow for evaluation of new proposals<sup>58</sup> the companies submitted to reduce certain expenses.<sup>59</sup>

### III. DISCUSSION

21. We deny AEE's and WCC's requests for waiver of the Commission's rules.<sup>60</sup> In the *Fifth Order on Reconsideration*, the Commission reiterated its commitment "to providing support that is sufficient but not excessive."<sup>61</sup> As the Commission made clear, in the waiver context, this commitment

<sup>54</sup> *Connect America Fund; Universal Service Reform – Mobility Fund; Petitions for Waiver of Windy City Cellular, LLC and Adak Eagle Enterprises, LLC*, WC Docket No. 10-90, WT Docket No. 10-208, Order, 27 FCC Rcd 15836 (Wireless Tel. Bur./Wireline Comp. Bur. 2012) (*AEE/WCC Interim Relief Order*).

<sup>55</sup> *Id.* at 15836, para. 1.

<sup>56</sup> *Id.* at 15840, para. 10.

<sup>57</sup> *See, e.g.*, Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al., at 5 (filed Feb. 28, 2013) (February 28th Ex Parte); April 12th Ex Parte; Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al., at 5 (filed May 14, 2013); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed May 16, 2013) (AEE May 16, 2013 Ex Parte); Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed May 20, 2013) (AEE May 20, 2013 Ex Parte); AEE May 22, 2013 Ex Parte; Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed May 28, 2013); AEE May 31, 2013 Ex Parte.

Over the course of this proceeding, the companies have met with Commission staff on well over a dozen occasions. In these meetings, Commission staff have repeatedly outlined concerns regarding the companies' expenses addressed in this Order. *See, e.g.*, April 12th Ex Parte at 1, 5-12 ("memorializ[ing] discussions that took place" regarding the WCC retail store, executive salaries, staffing levels, administrative buildings, operating costs, and financial outlook).

<sup>58</sup> May 15th Ex Parte; AEE May 31, 2013 Ex Parte.

<sup>59</sup> *Connect America Fund; Universal Service Reform – Mobility Fund; Petitions for Waiver of Windy City Cellular, LLC and Adak Eagle Enterprises, LLC*, WC Docket No. 10-90, WT Docket No. 10-208, Order, DA 13-1384 (Wireless Tel. Bur./Wireline Comp. Bur. rel. June 14, 2013) (*AEE/WCC One Month Interim Relief Order*)

<sup>60</sup> In demonstrating whether a waiver is warranted, the petitioner bears the burden of pleading specific facts and circumstances that would make the general rule inapplicable, *Tucson Radio, Inc. v. FCC*, 452 F.2d 1380, 1382 (D.C. Cir. 1971), and of "demonstrat[ing] that [its] arguments are substantially different from those which have been carefully considered at the rulemaking proceeding." *Industrial Broadcasting Co. v. FCC*, 437 F.2d 680, 683 (D.C. Cir. 1970).

<sup>61</sup> *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 22 & n.42 (internal quotation omitted); *see also* 47 U.S.C. § 254(b)(1), (b)(4)-(5), (d), (e); *Alenco Communications, Inc. v. FCC*, 201 F.3d 608, 620-21 (5th Cir. 2000) (*Alenco*) ("The agency's broad discretion to provide sufficient universal service funding includes the decision to impose cost controls to avoid excessive expenditures that will detract from universal service"); *Qwest Communications Int'l, Inc. v. FCC*, 398 F.3d 1222, 1234 (10th Cir. 2005) (*Qwest Communications Int'l*) ("excessive subsidization arguably may affect the affordability of telecommunications services, thus violating the principle in § 254(b)(1)") (citing *Qwest Corp. v. FCC*, 258 F.3d 1191, 1200 (10th Cir. 2001)); *Rural Cellular Assn. v. FCC*, 588

(continued...)

includes a focus on the financial operations of a waiver applicant, particularly its “operating expenses.”<sup>62</sup> With this in mind, we conclude that AEE has certain expenses that, based on the record, appear excessive and unreasonable. Because a portion of these expenses are, in turn, allocated to its wholly owned subsidiary, WCC, we share the same concerns regarding operating expenses for both companies and discuss them jointly below.

22. We find, in particular, that the companies maintain comparatively high compensation portfolios for their executives given their reliance on universal service and have made other unnecessary investments, including in a retail store.<sup>63</sup> The companies have not persuaded us that all such expenses are reasonable and necessary given the size of the company, its limited customer base, and its dependency on federal high-cost universal service support, which is a finite resource paid for by consumers and businesses across the country that should not be used to support unreasonable or excessive costs.<sup>64</sup> Moreover, there is an alternative provider of wireless service on Adak Island that has not requested a waiver to receive support in excess of the \$250 cap. On the record in this waiver proceeding, that provider, GCI has committed to continue to provide and expand its services throughout Adak Island. We cannot, therefore, conclude that WCC’s consumers are at risk of losing service.<sup>65</sup> As a result, we cannot find that good cause exists for waiver based upon the current record.

23. As we describe in greater detail below, some of AEE’s and WCC’s expenses currently supported by federal high-cost universal service include the following:

- The companies’ Chief Executive Officer (CEO) and Chief Operating Officer (COO) are compensated well above the median of executives managing telecommunications companies of similar size<sup>66</sup> as well as of all Alaska companies regardless of industry.<sup>67</sup> In fact, the companies’ CEO is compensated better than [REDACTED]

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F.3d 1095, 1102 (D.C. Cir. 2009) (*Rural Cellular*) (explaining that, in assessing whether universal service subsidies are excessive, the Commission “must consider not only the possibility of pricing some customers out of the market altogether, but the need to limit the burden on customers who continue to maintain telephone service”).

<sup>62</sup> *Fifth Order on Reconsideration*, 27 FCC Rcd at 14558, para. 22.

<sup>63</sup> “In keeping with the focus on providing support that is sufficient but not excessive, Commission staff have asked for additional information from waiver applicants, such as annual compensation provided to the ten most highly paid employees, and the size and nature of payments made to affiliated companies... Such information can be relevant to a determination of whether there are opportunities for reductions in operating expenses that would lessen the burden on the Fund, and also to assessing whether carriers are complying with our affiliate transaction rules.” *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 21

<sup>64</sup> NECA reports that as of year-end 2011, AEE had 171 loops. See 2012 NECA Study Results Report. 2013 support is based on 2011 cost data filed September 28, 2012. “WCC’s line counts from the first quarter of 2010 to the fourth quarter of 2011 range from a low of 33 to a high of 107 as reported by USAC.” AEE Sept. 4th Ex Parte at 4.

<sup>65</sup> *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 21. As explained below, other consumer protections, including ETC designation processes under section 214 of the Communications Act of 1934, as amended (the Act), 47 U.S.C. § 214, provide further safeguards to ensure continuity of service in the event of AEE or WCC service disruption.

<sup>66</sup> Based on a comparison to the NTCA Salary and Benefits Survey. See NTCA, 2012 Compensation and Benefits Survey, 2012 Report (NTCA Salary and Benefits Survey). In citing to the NTCA Salary and Benefits Survey, the Bureaus are relying on proprietary information obtained from the NTCA Salary and Benefits Survey. The petitioners also have access to the proprietary data included in the NTCA Salary and Benefits Survey, as demonstrated by the fact that they provided information and arguments derived from the NTCA Salary and Benefits Survey. See April 12th Ex Parte at Attach. 1; AEE May 31, 2013 Ex Parte at Attach. 2.

<sup>67</sup> See *infra* note 98.

percent of such executives managing telecommunications companies of similar size.<sup>68</sup>

- According to data filed by NECA for all rate of return carriers,<sup>69</sup> AEE is in the *bottom* 3% for the number of loops and *bottom* 16% for total plant in service (TPIS), yet AEE's corporate operations expense is higher than 69% of all rate of return carriers, including those with tens of thousands of loops.
- The costs associated with the retail store that WCC maintains on Adak Island are more than [REDACTED] times the reported revenues or, once promotions are taken into account, roughly [REDACTED] times the actual revenues generated by the store.

24. In the *USF/ICC Transformation Order*, the Commission stated that it expected carriers may be able to “achieve operational efficiencies to reduce their operating expenses.”<sup>70</sup> Although we are mindful that “Adak Island is inherently a high-cost area,”<sup>71</sup> we cannot conclude that a waiver is appropriate to allow federal high-cost universal service funds to continue to be used in support of these expenses, which appear to be grossly excessive and unreasonable. Universal service is a finite resource that is ultimately paid for by consumers and businesses across the country,<sup>72</sup> and should not be used to support unreasonable, imprudent, or excessive costs.<sup>73</sup> Here, the companies are seeking a waiver to recover additional universal service funding to support such costs.

25. Although AEE and WCC put forth proposals in the form of a 29-year transition plan and a more recent expense reduction proposal, we cannot conclude that either of these plans establishes good cause for waiver.<sup>74</sup> The companies' 29-year transition plan focuses on long-term expense reductions [REDACTED], but these projected reductions are mainly due to non-investment in plant after 2014.<sup>75</sup> Notably, this proposal fails to address many of the Bureaus' concerns and offers no solution that will accelerate reducing their need for federal high-cost universal service support.<sup>76</sup> On May 31, 2013, the companies filed a separate expense reduction proposal.<sup>77</sup> The May 31 proposal addresses a number of expense categories of concern, including the companies' staffing levels<sup>78</sup> and expenses in areas such as travel, training, and gifts.<sup>79</sup> We recognize the companies' efforts to reduce expenses in these areas, but conclude that such reductions are insufficient to justify a waiver. We note that the companies have stated that they plan to take additional action that could reduce certain expenses related to their administrative space and retail store, but we cannot evaluate the reasonableness of future expenses until after the companies have taken affirmative steps towards reductions.<sup>80</sup> And, as explored below, we also have concerns about the companies' levels of executive compensation, which remain largely unaddressed in their proposals.<sup>81</sup> Accordingly, we conclude the companies have failed to show good cause and

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<sup>68</sup> See *supra* note 66

<sup>69</sup> See *supra* note 34.

<sup>70</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17770, para. 292.

<sup>71</sup> April 12th Ex Parte at 2.

<sup>72</sup> We note that AEE has an outstanding loan with RUS and has argued that, without a waiver, the company will “default on its RUS loans” at a cost of “millions” of dollars. See AEE Petition at ii. However, even in the event that AEE were to default on its RUS loan, this cost would be far more than offset by savings to the USF. As of December 31, 2012, AEE had approximately [REDACTED] in outstanding loans from RUS. April 12th Ex Parte at Attach. 7. By comparison, AEE is seeking a waiver that would provide it federal high-cost universal service support in excess of [REDACTED] on an *annual* basis.

<sup>73</sup> *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 22 & n. 42 (internal quotation omitted); see also 47 U.S.C. §§ 254(b)(1), (b)(4)-(5), (d), (e); *Alenco Communications, Inc. v. FCC*, 201 F.3d 608, 620-21 (5th Cir. 2000).

demonstrate that the waiver is necessary and in the public interest at this time. If and when AEE has reduced such expenses and needs additional relief, it may refile its request for a waiver. Moreover, as noted below, we do not believe that denial of a waiver puts any of AEE's customers at any near-term risk of losing access to wireline voice service.

#### A. Employment Expenses

26. The companies' executive compensation is disproportionate to both their telecommunications peers' as well as that of other Alaska companies generally.<sup>82</sup> According to the companies, their CEO's total cash compensation for 2011 was approximately [REDACTED] though may have been even higher.<sup>83</sup> In 2012, the CEO's salary package totaled [REDACTED] of which [REDACTED] was base salary and the remaining [REDACTED] was payment for unused vacation time.<sup>84</sup> In 2013, the companies estimate that the CEO's estimated salary package will total [REDACTED], of which [REDACTED] is base salary and the remaining [REDACTED] is payment for unused vacation time.<sup>85</sup>

27. Similarly, AEE and WCC's COO's compensation is not aligned with the companies' peers or other Alaska companies. In 2011, AEE's COO received cash compensation totaling

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<sup>74</sup> See May 15th Ex Parte; see also AEE May 31, 2013 Ex Parte.

<sup>75</sup> See May 15th Ex Parte at 2.

<sup>76</sup> 47 C.F.R. § 54.302; see *USF/ICC Transformation Order*, 26 FCC Rcd at 17739, para. 201.

<sup>77</sup> See AEE May 31, 2013 Ex Parte.

<sup>78</sup> We note that, at the time of their waiver petition filings, the companies' staffing levels appeared to be unreasonable in light of the sizes of their businesses. During 2011, in addition to the companies' Chief Executive Officer and a Chief Operations Officer, AEE and WCC maintained seventeen employees who shared responsibilities between the two companies. See Letter from Monica S. Desai, Counsel to AEE, to Marlene H. Dortch, Secretary, FCC, Ex Parte Notice and Supplement To AEE Petition for Waiver, WC Docket No. 10-90, WT Docket No. 10-208, at 6-9 (filed Aug. 20, 2012) (AEE Aug. 20, 2012 Ex Parte). The companies now propose to reduce their staffing levels to 9 full-time employees and two part-time employees. See AEE May 31, 2013 Ex Parte at 2.

<sup>79</sup> For example, in 2011 AEE and WCC incurred [REDACTED] in travel and training expenses. See April 12th Ex Parte at Attach. 5. The companies now propose to reduce these expenses to [REDACTED] annually. See AEE May 31, 2013 Ex Parte at 8. Similarly, other expenses incurred by the companies in 2011 included [REDACTED] in lobbying expenses, [REDACTED] in gift expenses (including [REDACTED] for the purchase of crabs for employee incentives), and [REDACTED] for donations. The companies now propose to eliminate gift expenses and suggest that "no USF funds are ever used to support lobbying." See AEE May 31, 2013 Ex Parte at 10.

<sup>80</sup> See May 15th Ex Parte; see also AEE May 31, 2013 Ex Parte.

<sup>81</sup> See *infra* paras. 26 – 30.

<sup>82</sup> Expenses and supporting documentation addressed below are consolidated AEE expenses incurred for AEE's total operation, including Adak Telephone Utility, Windy City Cellular, and Windy City Broadband.

<sup>83</sup> We note that the record contains discrepancies which suggest that the CEO's salary may be higher than [REDACTED]. In an August 2012 ex parte letter, AEE filed documentation showing that the CEO's 2011 salary was [REDACTED] in addition to benefits totaling [REDACTED]. See Letter from Jennifer L. Richter and Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al., at Attach. 4 (filed Aug. 27, 2012) (Aug. 27, 2012 Ex Parte).

<sup>84</sup> See April 12th Ex Parte at Attach. 1-2.

<sup>85</sup> The companies have stated that they have instituted a [REDACTED] reduction in salary beginning in March 2013 for their executives, totaling [REDACTED] in savings on an annual basis. AEE May 31, 2013 Ex Parte at Attach. 1; See April 12<sup>th</sup> Ex Parte at 6, Attach. 1-2. February 28th Ex Parte at 4.

[REDACTED].<sup>86</sup> In 2012, the COO's salary package totaled [REDACTED] of which [REDACTED] was base salary and the remaining [REDACTED] was payment for unused vacation time.<sup>87</sup> In 2013, the COO's estimated salary package will total [REDACTED], of which [REDACTED] is base salary and the remaining [REDACTED] is payment for unused vacation time.<sup>88</sup>

28. AEE's and WCC's executive compensation is disproportionately high by almost any metric. For telephone companies with fewer than 1,000 access lines, the median CEO salary is \$83,900.<sup>89</sup> Put differently, in 2012, the companies' CEO earned approximately [REDACTED] the median salary for similarly sized companies. The CEO's compensation also raises concerns by metrics other than access lines. For example, for companies with operating revenues similar to those of AEE and WCC, the median CEO salary is [REDACTED].<sup>90</sup> And for companies with 6-15 employees, the median CEO salary is \$118,500.<sup>91</sup> Meanwhile, AEE and WCC's COO earns significantly more than the median when compared to all rate-of-return companies responding to NTCA's Salary and Benefits Survey.<sup>92</sup> According to that survey data, the median salary for a COO is \$123,000 for all respondents.<sup>93</sup> AEE and WCC argue that their executives "do not receive any cash bonuses" unlike some of their peers.<sup>94</sup> Yet, according to NTCA data, the average CEO cash bonus is approximately \$16,783<sup>95</sup> – thus, even accounting for this level of bonus, AEE's and WCC's executive compensation is still highly disproportionate to their peers across the country and especially in Alaska.<sup>96</sup> Finally, we note that, AEE's and WCC's executives have taken a [REDACTED] reduction in salaries effective March 1, 2013. However, even with these reductions, AEE's and WCC's executive compensation remains extremely high in comparison to the metrics set forth above.

29. The companies' executive compensation is also high relative to other companies in Alaska. We note that the companies' CEO resides in the Anchorage area,<sup>97</sup> and according to the Alaska Department of Labor (DOL),<sup>98</sup> the median wage of Chief Executives in the Anchorage metropolitan statistical area (MSA)<sup>99</sup> was \$67.49 per hour (or roughly \$140,379 per year).<sup>100</sup> Yet, AEE's and WCC's

<sup>86</sup> [REDACTED] See Aug. 27, 2012 Ex Parte at Attach. 4. In its April 12, 2013 ex parte filing, AEE provided figures in contrast to those above, stating that the COO's total compensation in 2011 was [REDACTED]. See April 12th Ex Parte at Attach. 1.

<sup>87</sup> See April 12th Ex Parte at Attach. 1-2.

<sup>88</sup> *Id.*

<sup>89</sup> See NTCA Salary and Benefits Survey at 73 [REDACTED].

<sup>90</sup> *See id.*

<sup>91</sup> *See id.*

<sup>92</sup> See AEE May 31, 2013 Ex Parte at Attach. 2 (citing NTCA Salary and Benefits Survey); *see also* April 12th Ex Parte at Attach. 1 (citing NTCA Salary and Benefits Survey).

<sup>93</sup> *See id.*

<sup>94</sup> AEE May 16, 2013 Ex Parte (emphasis omitted). *See also* AEE May 20, 2013 Ex Parte at 8.

<sup>95</sup> See NTCA Salary and Benefits Survey at 72.

<sup>96</sup> See *infra* note 98. AEE's and WCC's peers in Alaska include companies from all industries.

<sup>97</sup> April 12th Ex Parte at 10.

<sup>98</sup> Alaska Department of Labor and Workforce Development, Research and Analysis Section, wage data for 2011 (rel. May 2012) (Alaska DOL 2011 Wage Data).

<sup>99</sup> The Anchorage/Matanuska-Susitna MSA is referred to here as the Anchorage MSA for convenience.

<sup>100</sup> For purposes of calculating annual salaries, we use the formula proposed by AEE and WCC – multiplying the relevant per hour ratio by 2,080 hours.

CEO earned [REDACTED], placing him among the *top* [REDACTED] percent of highest paid CEOs in the Anchorage MSA. We further note that Adak Island is located within a separate MSA in Alaska – the Balance of State MSA. In this MSA, the median wage of an Alaskan CEO is even lower – \$59.26 per hour (or roughly \$123,260 per year), or 12 percent less than the \$67.49 per hour wage earned by Alaskan CEOs in the Anchorage MSA that AEE used for its comparison.

30. For General and Operations Managers, such as Chief Operating Officers, the Alaska DOL found a median wage rate of \$41.96 per hour in the Alaska MSA<sup>101</sup> and \$34.79 per hour in the Balance of State MSA.<sup>102</sup> These hourly wage rates equate to \$87,277 and \$72,363 respectively calculating annual salaries from the Alaska DOL’s reported wage rates.<sup>103</sup> COO’s earning in the *top* [REDACTED] percent of Alaska DOL reported wage rates for 2012 equate to annual salaries of [REDACTED] in the Anchorage MSA, and [REDACTED] in the Balance of State MSA.<sup>104</sup> By comparison, AEE COO’s salary for 2012 was [REDACTED] and salary for 2013 is projected to be [REDACTED].<sup>105</sup>

## B. AEE’s Corporate Operations Expenses

31. AEE’s corporate operations expenses appear disproportionate in relation to the expenses of its peers.<sup>106</sup> According to NECA data,<sup>107</sup> companies with zero to 350 loops had average corporate operations expenses of \$262,615.<sup>108</sup> By contrast, as of year-end 2011, AEE had 171 loops and corporate operations expenses of \$1,204,012.<sup>109</sup> Stated differently, for companies with zero to 350 loops, AEE had over four and a half times the average corporate operations expense. Of the 46 companies in the NECA data that had between zero and 350 loops, AEE had by far the highest corporate operations expense. Its corporate operations expense at \$1,204,012 was \$524,092 dollars more than the second highest member of the zero to 350 loop peer group. And, as noted above,<sup>110</sup> according to data filed by NECA for all rate of return carriers, AEE is in the *bottom* 3% for loops and *bottom* 16% for total plant in service (TPIS), yet AEE’s corporate operations expense is higher on an absolute basis than 69% of all rate of return carriers, which includes those with tens of thousands of loops.<sup>111</sup> We note that the vast majority of the company’s corporate operations expenses are incurred in Anchorage, AK. In comparison to other Alaska companies,

<sup>101</sup> The COO resides in Anchorage, AK. See April 12th Ex Parte at 10.

<sup>102</sup> See Alaska DOL 2011 Wage Data.

<sup>103</sup> AEE offers as a comparison for its COO’s salary the median annual wage of \$87,277, which AEE calculates by multiplying the Alaska DOL’s hourly wage of \$41.96 by 2,080 hours. See April 12th Ex Parte at Attach. 4.

<sup>104</sup> Note that 2,080 hours equals 40 hours per week times 52 weeks per year and so would include “vacation pay” in the calculations, which is consistent with the vacation pay also reported by AEE. See Alaska DOL 2011 Wage Data.

<sup>105</sup> See April 12th Ex Parte at Attach. 1-2.

<sup>106</sup> Corporate operations expenses include the costs of performing executive and planning activities, and general and administrative activities described in narratives for individual accounts. These costs also include the costs of supervision, office support and training for these activities. See 47 C.F.R. § 32.5999.

<sup>107</sup> See *supra* note 34.

<sup>108</sup> On a per loop basis, AEE incurred on average \$586.75 per loop per month in corporate operations expenses during 2011. See *id.* We note that for USF purposes, AEE is limited by Commission rule to eligible corporate operations expenses of \$722,120 for purposes of calculating high-cost support. See *id.*; see also 47 C.F.R § 36.621(a)(4). Although over \$400,000 of AEE’s corporate operations expenses are thus ineligible for purposes of calculating high-cost support, the companies’ high overall corporate operations expenses are of significant concern.

<sup>109</sup> See *supra* note 34.

<sup>110</sup> *Id.*

<sup>111</sup> See 2012 NECA Study Results Report.

AEE's corporate operations appear high. In fact, for 2011, AEE had the highest corporate expenses of any rate-of-return carrier in Alaska with less than 1000 lines that reports to NECA.<sup>112</sup> Furthermore, under AEE's recent proposal to reduce expenses<sup>113</sup> AEE would still maintain the highest corporate operations expenses of any company in the 0 to 350 loop group by a significant margin.<sup>114</sup> Although we recognize that there are inherent challenges in serving certain areas,<sup>115</sup> even taking such circumstances into account, AEE's corporate operations expenses remain excessive.

### C. WCC Retail Store

32. We likewise find WCC's continued operation of a retail store on Adak Island to be an excessive and unreasonable expense that does not support grant of a waiver. As discussed below, the costs associated with the retail store far exceed any potential revenues. While there may be some limited benefit associated with maintaining a retail store on Adak, our obligation is to examine the expense in the context of the entirety of the petitioners' businesses.<sup>116</sup> We conclude that, on balance, the expense associated with the retail store – which is not a supported service – is excessive and unreasonable.

33. Since opening the retail store in January 2012, WCC's expenses associated with its retail operations, including customer and corporate operations expenses, far exceed the revenues generated by the retail store, particularly when the revenues are heavily discounted by the various promotions run by WCC. In fact, based on the data provided by AEE/WCC, the costs associated with the retail store are more than [REDACTED] times the reported revenues and roughly [REDACTED] times the actual revenues (when promotions are taken into account).<sup>117</sup> While WCC has recently offered to relocate the store, it fails to provide details of the relocation or explain how such action will make the store more profitable.<sup>118</sup> In purely financial terms, WCC's retail store has drained the company's limited resources with little return on the investment, and we see little or no evidence of any change to this pattern going forward, even if the store were to be relocated.

34. We recognize that WCC's retail store does support WCC's provision of wireless voice service – for example, by providing a place for its customers to purchase new equipment or to seek resolution to issues with service or equipment – but find that these functions can be performed at a fraction of the cost without operating a retail store.<sup>119</sup> For example, WCC could provide sales and technical support over the phone or through the web, or by appointment. As to WCC's claim that its retail store provides its customers with the same experience that consumers have in more populated areas, we observe that the Commission has a duty to ensure that “[c]onsumers in all regions of the Nation ... have access to telecommunications and information services ... that are reasonably comparable to those

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<sup>112</sup> See *supra* note 34.

<sup>113</sup> See AEE May 31, 2013 Ex Parte.

<sup>114</sup> Based on the companies' latest proposed cost reductions, the companies' corporate operations expenses would total approximately [REDACTED]. See Letter from Monica S. Desai, Counsel to AEE and WCC, to Marlene H. Dortch, Secretary, FCC, Submission of Supplemental Information, WC Docket No. 10-90 et al., at Attach. 1 (filed June 4, 2013)

<sup>115</sup> See *supra* para. 10.

<sup>116</sup> See *USF/ICC Transformation Order*, 26 FCC Rcd at 17840, para. 540.

<sup>117</sup> See Aug. 27th Ex Parte at 9, Attach. 5-6 (costs of operating the retail store were reported as [REDACTED], while reported revenues were [REDACTED] and actual revenues were closer to [REDACTED]).

<sup>118</sup> AEE May 31, 2013 Ex Parte at 9.

<sup>119</sup> AEE May 20, 2013 Ex Parte at 5-6.

services provided in urban areas.”<sup>120</sup> However, “the agency’s broad discretion to provide sufficient universal service funding includes the decision . . . to avoid excessive expenditures that will detract from universal service”<sup>121</sup> because universal service support is “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”<sup>122</sup> Accordingly, since the ability to purchase equipment in a retail store is not an intrinsic or essential feature of telecommunications service the Commission is not required to provide a subsidy to maintain such a store – particularly, as here, where the costs to the fund appear to vastly outweigh any consumer benefits.

35. Moreover, as to the ancillary benefits WCC claims that its store provides to the Adak community, we find that the expenses associated with maintaining the store, and thus the costs to the universal service program – and the consumers and businesses that ultimately pay into the fund – outweigh the benefits. For example, the expenses associated with operating the retail store each month far exceeds the limited benefit of free Internet service provided in the store. Moreover, with regard to WCC’s claims that the store provides employment on Adak, we reiterate that the purpose of the universal service fund is to support deployment of networks capable of providing voice and broadband services to high-cost areas. While these funds often indirectly contribute to other benefits, such as employment of technicians or sales people, equipment sales, etc., these are ancillary to the goal of expanding voice and broadband service to high-cost areas and do not support grant of a waiver. Finally, we recognize that the WCC retail store provides limited storage for equipment, but other less costly options are available for this.

#### **D. Other Issues and Concerns**

##### **1. Administrative Building**

36. The companies’ administrative office building in Anchorage also raises concerns. The administrative building was acquired in in 2007 for [REDACTED] by the company’s CEO and COO, as principles of L&A Property (“L&A”).<sup>123</sup> In July 2007, L&A signed a lease agreement with AEE for use of the building, and [REDACTED] later executed a mortgage for the property with AEE acting as guarantor to that mortgage.<sup>124</sup> Under the lease, the monthly rent paid by AEE to L&A covers L&A’s principal and interest payments, and AEE is also responsible for all taxes, insurance, maintenance and repair, improvements, and utilities.<sup>125</sup> AEE incurred remodeling expenses of approximately \$171,000 related to the building in this regard.<sup>126</sup> Thus, AEE has borne the ownership risks of the building through its guaranty of the mortgage, and has been responsible for all other expenses of the property, yet any equity in that property has inured to L&A Property, which is owned by the CEO and COO of AEE.<sup>127</sup>

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<sup>120</sup> 47 U.S.C. § 254(b)(2), (3).

<sup>121</sup> *Alenco*, 201 F.3d at 620-21.

<sup>122</sup> 47 U.S.C. § 254(e).

<sup>123</sup> See April 12th Ex Parte at 10.

<sup>124</sup> See AEE Aug. 20, 2012 Ex Parte at Attach. 7.

<sup>125</sup> *Id.* at Attach. 4.

<sup>126</sup> See Prefiled Testimony of Michelle D. Barnett, at 10-12, TAG Docket U-10-104, Regulatory Commission of Alaska, available at <http://rca.alaska.gov/RCAWeb/ViewFile.aspx?id=751ae98b-dc85-4234-9ed8-c82b6a5658d8> (Barnett Testimony).

<sup>127</sup> As part of its February 28, 2013 proposal, the company proposed to acquire the administrative building from L&A for [REDACTED]; however, in an appraisal submitted with the April 12, 2013 filing, the building was valued at just [REDACTED]. See February 28th Ex Parte at 7; April 12th Ex Parte at Attach. 1.

37. In its May 31, 2013 proposal, AEE proposes to explore the “possibility of breaking its current lease with L&A Property” and to investigate “combined lease agreements with other communications carriers to house AEE’s administrative facilities.”<sup>128</sup> AEE also states that it has dropped plans to purchase the administrative building from L&A Property, and instead allow L&A Property to place the building on the open market for sale.<sup>129</sup> Although AEE states that these proposals will reduce expenses associated with its administrative building, we cannot evaluate the reasonableness of future expenses until the companies have taken affirmative, concrete steps towards reductions.

## 2. Vehicles

38. Finally, we note that AEE and WCC maintain a number of vehicles on Adak Island. The companies currently own four trucks, four all-terrain type vehicles, two snowmobiles, and one 26 foot Alaskan HT Galley boat.<sup>130</sup> While we can appreciate the necessity and utility in maintaining vehicles in Alaska that are necessary to sustain a carrier’s network, it is unclear why the companies need to maintain so many vehicles and incur the attendant costs and expenses of the vehicles, including maintenance and insurance, given the number of lines served and 3.5 current full-time employees that work on Adak Island.<sup>131</sup>

### E. Presence of Alternative Wireless Voice Service

39. In addition to our findings regarding the unreasonable expenses incurred by both AEE and WCC, we further deny WCC’s petition on grounds that consumers are not at risk of losing wireless service because GCI provides service to a significant portion of Adak. In the *USF/ICC Transformation Order*, the Commission stated that “[w]e envision granting relief only in those circumstances in which the petitioner can demonstrate that the reduction in existing high-cost support would put consumers at risk of losing voice services, with no alternative terrestrial providers available to provide voice telephony service to consumers using the same or other technologies that provide the functionalities required for supported voice service.”<sup>132</sup> The *USF/ICC Transformation Order* also established that a waiver is not warranted unless the petitioner demonstrates that it is the only provider of mobile service in “a significant portion of any study area.”<sup>133</sup> Where, as here, there is an alternative terrestrial service provider and consumers are not at risk of losing service, grant of a waiver is not justified.

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<sup>128</sup> AEE May 31, 2013 Ex Parte at 9.

<sup>129</sup> *Id.*

<sup>130</sup> See Barnett Testimony at 10-12. See also AEE Aug. 20, 2012 Ex Parte at 6, 10 and 11; AEE May 20, 2013 Ex Parte at 4-5. AEE claims that the boat is used to provide service to the fish plant, and to navigate the area under the dock in order to provide fiber to the port and for the purpose of installing fiber to a planned missile defense system and a floating radome that was to be located off the coast of Adak. See AEE Aug. 20, 2012 Ex Parte at 10. We note that this HT Galley boat is described by the manufacturer as a fishing boat. See <http://www.deweysmarine.com/products/hewes/alaskan/2009/26galley.html>.

<sup>131</sup> 3.5 FTEs currently work on Adak plus 7.5 FTEs in Anchorage for a total of 11.0 FTEs. AEE plans to add 1.0 FTE on Adak as soon as it can hire a qualified Combination Technician. See April 12th Ex Parte at 7-10; see also February 28th Ex Parte at 5; AEE Aug. 20, 2012 Ex Parte at 6. We note that in its most recent proposal, AEE anticipates reducing staff on Adak Island to 3 FTE, composed of two employees working full-time and two employees working part-time. See AEE May 31, 2013 Ex Parte at 6-7.

<sup>132</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17840, para. 540. In the *Fifth Order on Reconsideration*, the Commission clarified that waiver petitions will be evaluated not just based on the impact of reforms on voice service, “but also on [the] continued operation of a broadband-capable network and the effect on consumer rates.” *Fifth Order on Reconsideration*, 27 FCC Rcd at 14557, para. 20.

<sup>133</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17841, para. 542.

40. We observe that the coverage maps submitted by WCC show that nearly all of the populated areas of Adak are covered by GCI's wireless service.<sup>134</sup> In addition, drive tests filed in the record show a strong GCI signal in and around the most densely populated areas in Adak, where the vast majority of Adak residents live and work,<sup>135</sup> as well as in areas beyond downtown, including coverage of the Icicle Seafood Plant that will soon close.<sup>136</sup> The portion of WCC's wireless service area that is not also covered by GCI appears to encompass, at most, 10 residences.<sup>137</sup>

41. We acknowledge that there are some areas where WCC is the sole provider of service, largely due to the recent construction of the White Alice cell site. The White Alice cell site, which only became operational in 2012, largely provides coverage to areas in the Aleutian wilderness and the sea.<sup>138</sup> WCC maintains that coverage in these areas is necessary to support government and research activities that occur outside of the downtown area, as well as to ensure that subsistence hunters and fishermen and others who are traveling beyond downtown Adak have wireless access, particularly in times of emergency.<sup>139</sup> Notably, WCC repeatedly has stressed that the Marine Vessel Tracking Service relies heavily on the existence of the White Alice site to carry out its mission.<sup>140</sup> We note, however, that their dependence on the site relates to their ability to collocate on the tower and to use associated commercial power, neither of which is a supported service.

42. Any individuals that may lose service should WCC decide to terminate operations could request service from GCI. GCI has repeatedly stated that it is willing to take over the White Alice cell site or, within a few months, to expand its coverage to include those areas covered by White Alice. In addition to these statements, GCI is designated as an ETC to serve the entire AEE Study Area and therefore is obligated to provide service upon reasonable request.<sup>141</sup> GCI's statements in the record, combined with its obligations as an ETC, further assures that consumers on Adak will not be left without any reasonable alternative to wireless service should WCC cease operations.

43. We cannot justify grant of WCC's waiver request for [REDACTED] per year<sup>142</sup> so that WCC can continue to serve the limited area – encompassing at most 10 residences and uninhabited wilderness areas – where it is the sole provider of service. As stewards of the universal service fund, we have a duty to the individuals and businesses that pay in to the fund to ensure that our finite high-cost

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<sup>134</sup> WCC Petition at Exh. 6.

<sup>135</sup> *Id.* GCI claims to cover at least 90 percent of the households on Adak. GCI August 29th Ex Parte at 2.

<sup>136</sup> We understand that Icicle Seafood will terminate operations on Adak in 2013, and there is no certainty the facility will house operations in the future. *See* May 15th Ex Parte at 1.

<sup>137</sup> GCI August 29th Ex Parte at 2.

<sup>138</sup> *See* Reply Comments of WCC, WC Docket No. 10-90, WT Docket No. 10-208, at 3. (May 24, 2012).

<sup>139</sup> *Id.*

<sup>140</sup> *See* WCC Petition at 6.

<sup>141</sup> Section 214(e) of the Act requires an ETC to offer services throughout the service area for which the designation is received. 47 U.S.C. § 214(e)(1). GCI acknowledges that, as a designated ETC, it “has duties pursuant to Section 214(e) in the event that WCC ceases operation” and that “GCI will abide by its legal responsibilities as an ETC.” *See* Letter from John T. Nakahata, Counsel to GCI, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208, at 2 (filed Sept. 11, 2012). Pursuant to its ETC designation, GCI must consider network enhancements, as well as construction of new facilities, to address requests for service, and undertake a cost-benefit analysis to determine whether to expand service. Should WCC discontinue operations, we remind GCI of its ETC obligations to serve the entire AEE Study Area, and expect that our decision today will help inform GCI's cost-benefit considerations when determining whether or not expansion of its service offering is warranted.

<sup>142</sup> April 12 Ex Parte at Attach. 6.

support is spent in a judicious manner. Given the limited public benefit associated with WCC's larger service area, and particularly given GCI's willingness to expand service and its related ETC obligations, we find that grant of WCC's waiver request is not warranted.

## F. Other Claims

44. In their petitions, AEE and WCC raise a number of other arguments, including takings claims and allegations that the Commission has violated the Administrative Procedure Act.<sup>143</sup> The companies also argue that, if they do not get a waiver and continued high-cost support, they will become insolvent, causing the loss of AEE/WCC's 3.5 full-time employees on Adak Island.<sup>144</sup> We reject the arguments on the merits, as discussed below.

45. First, we reject AEE's contention that implementation of the \$250 cap represents an unconstitutional confiscatory taking.<sup>145</sup> Section 254 does not expressly or impliedly provide that particular companies are entitled to ongoing USF support.<sup>146</sup> Rather, as the Commission has indicated and the courts have agreed, the "purpose of universal service is to benefit the customer, not the carrier."<sup>147</sup> Consequently, carriers "have no property interest in or right to continued USF support."<sup>148</sup> As a result, contrary to AEE's assertion, no "unconstitutional confiscatory regulation" occurred as a result of the Commission's reforms, which imposed new discipline on the universal service system.<sup>149</sup>

46. Next, we conclude that AEE's and WCC's contention that it did not receive adequate notice regarding the potential changes to USF support is also without merit.<sup>150</sup> On February 8, 2011,<sup>151</sup>

<sup>143</sup> AEE Petition at 31, 35.

<sup>144</sup> We note that at the time that WCC filed its petition, the companies had 6 total employees on Adak Island. Since WCC filed its petition, the company reduced two employees on Adak Island and reduced one position to part-time. See WCC Petition at 18-19; February 28th Ex Parte at 6.

<sup>145</sup> AEE Petition at 31.

<sup>146</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17770-71, para. 293.

<sup>147</sup> *Id.* at 17745, para. 221 (citing *Rural Cellular*, 588 F.3d at 1103 (quoting *Alenco*, 201 F.3d at 621)).

<sup>148</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17771, para 293. As we have made clear, our national goal is to advance broadband availability while preserving the voice and broadband service that exists today, and this objective would be achieved more effectively by revising our current rules and adjusting support amounts for particular recipients, balancing the principles set forth in section 254(b) of the Act. The Commission has discretion to balance competing section 254(b) principles. *Qwest Communications Int'l*, 398 F.3d at 1234 ("The FCC may exercise its discretion to balance the principles against one another when they conflict, but may not depart from them altogether to achieve some other goal"). Thus, the Commission may balance the principles posited in section 254(b)(3) ("Access to advanced telecommunications and information services should be provided in all regions of the Nation") and (b)(4) ("Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services" at rates that are reasonably comparable to urban rates) with the principle in section 254(b)(5) ("There should be specific, predictable and sufficient Federal and State mechanisms to preserve and advance universal service"). Nothing in the Takings Clause or section 254 precludes the Commission from such reasoned decision making, even if it means taking support away from some current support recipients. The requirement that support should be "specific, predictable and sufficient" does not mean that support levels can never change and does not establish a right to the funding.

<sup>149</sup> AEE Petition at 31

<sup>150</sup> *Id.*; WCC Petition at 19.

<sup>151</sup> See *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 a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Linkup*; WC Docket Nos. 10-

the Commission released the Notice of Proposed Rulemaking which ultimately resulted in the *USF/ICC Transformation Order* that the Commission released on November 18, 2011.<sup>152</sup> In the *USF/ICC Transformation NPRM*, the Commission expressly proposed the adoption of the \$3000 per year (or \$250 per month) cap on total support per line for all companies.<sup>153</sup> AEE was on notice for more than a year that the Commission was considering the specific cap that it ultimately adopted. Furthermore, AEE's argument that the Commission violated its own policy that there should be no flash-cut implementation of new regulations ignores the transition period created in the *USF/ICC Transformation Order*. In the *USF/ICC Transformation Order* the Commission expressly stated that the \$250 cap would be phased in over a three year period to ease the potential impact of the transition.<sup>154</sup> Thus, no "flash-cut" implementation of the \$250 cap occurred with respect to AEE. It is the case that WCC was one of a small number of wireless carriers in Alaska that experienced an immediate reduction in high-cost support when the *USF/ICC Transformation Order* took effect. However, the Wireless Bureau has moderated the immediacy of that reduction by providing interim relief to WCC for over one year, and Wireline Bureau has done the same for AEE for over six months. Finally, we disagree with AEE's assertion that the Commission acted arbitrary and capriciously under the Administrative Procedure Act<sup>155</sup> in implementing the \$250 cap. The Commission settled on the \$250 cap after extensive analysis and recognized that "virtually all (99 percent) of incumbent LEC study areas" previously receiving support were under the \$250 per-line monthly limit, and that the cap would likely only affect 5,000 customers in the highest-cost study areas.<sup>156</sup> The Commission provided a waiver process for those rate-of-return carriers uniquely impacted by the reforms despite these measured transitions and in cases in which carriers were able to demonstrate reasonable expenses, waivers have been granted.<sup>157</sup>

47. Finally, as for the potential for jobs being lost should AEE/WCC discontinue operations, we note that universal service funds are provided to help efficiently deploy networks capable of providing voice and broadband services to high-cost areas. While the employment benefits derived from such funds are an ancillary benefit, the employment practices of universal service recipients must be reasonable because the costs are ultimately borne by the consumers and businesses that pay into the universal service fund.

### G. Transition Period

48. In the *USF/ICC Transformation Order*, the Commission "sought to phase in reform with measured but certain transitions, so companies affected [would] have time to adapt to changing

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90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 26 FCC Rcd 4554(2011) (*USF/ICC Transformation NPRM*).

<sup>152</sup> See *USF/ICC Transformation Order*.

<sup>153</sup> *USF/ICC Transformation NPRM*, 26 FCC Rcd at 4626, para 208.

<sup>154</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17765, para. 275.

<sup>155</sup> 5 U.S.C. § 706(2)(A).

<sup>156</sup> See *USF/ICC Transformation Order*, 26 FCC Rcd at 17766, paras. 277-78.

<sup>157</sup> See *id.* at 17839, paras. 539-44; *Fifth Order on Reconsideration*, 27 FCC Rcd at 14556-14560, paras. 18-32. Compare *Allband Communications Cooperative Petition for Waiver of Certain High-Cost Universal Service Rules*, WC Docket No. 10-90, Order, 27 FCC Rcd 8310 (Wireline Comp. Bur. 2012) and *Connect America Fund; Accipiter Communications, Inc. Petition for Temporary Waiver of Certain High-Cost Universal Service Rules*, WC Docket No. 10-90, Order, 28 FCC Rcd 391 (Wireline Comp. Bur. 2013) with *Connect America Fund; Sandwich Isles Communications, Inc. Petition for Waiver of Section 54.302 of the Commission's Rules*, WC Docket No. 10-90, Order, 28 FCC Rcd 6553 (Wireline Comp. Bur. 2013).

circumstances.”<sup>158</sup> To that end, we seek to minimize any possible disruptions to consumers on Adak Island. In particular, we recognize that a reasonable transition period may be necessary to ensure that providers on Adak Island will have time to adjust so that their consumers are not adversely impacted. The record in this proceeding suggests that providing interim support may be necessary so that providers have time to ensure that facilities are available to serve consumers on Adak Island.<sup>159</sup> Therefore, notwithstanding the findings above, we find good cause exists to provide AEE and WCC an additional six months of support at their current interim support levels. Additionally, we waive the true-up provision established in the Interim Relief Order.<sup>160</sup>

49. Finally, our review of the companies’ financial information suggests that, with this interim support, the companies will have sufficient resources to continue operations in the intermediate term and, potentially longer, as a result of any savings from cost reductions that they might achieve.<sup>161</sup> AEE may pursue a waiver in the future, once it is able to complete restructure of its operations in a manner that allows it to lower its expenses to reasonable levels and reduce its dependence on high-cost universal service support.<sup>162</sup>

50. The interim support granted by the Bureaus will assist AEE and WCC with restructuring their operations to reduce expenses to reasonable levels as proposed by the companies. In order to ensure that AEE and WCC have sufficient funding for initial expenses that may be required to reduce their costs, we find good cause exists to provide interim support. Subsequent to the expiration of the interim support, depending on the level of expense reductions undertaken by AEE and WCC while receiving interim support, our review suggests that the companies could on a consolidated basis remain [REDACTED] for [REDACTED].

### III. ORDERING CLAUSES

51. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i), 4(j), 5(c), 201, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 155(c), 201, 254, sections 0.91, 0.131, 0.291, 0.331, and 1.3 of the Commission’s rules, 47 C.F.R. §§ 0.91, 0.131, 0.291, 0.331, 1.3, and paragraph 544 of the *USF/ICC Transformation Order*, FCC 11-161, that this Order IS ADOPTED.

52. IT IS FURTHER ORDERED that the petition for waiver of section 54.302 of the Commission’s rules, 47 C.F.R. § 54.302, filed by Adak Eagle Enterprises, LLC, IS DENIED as described herein.

53. IT IS FURTHER ORDERED that the petition for waiver of section 54.307(e) of the Commission’s rules, 47 C.F.R. § 54.307(e), filed by Windy City Cellular, LLC, IS DENIED as described herein.

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<sup>158</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17670, para. 11. In fact, as noted in paragraph 3 above, the Commission set forth a three year transition to the \$250 cap under section 54.302 of its rules. As a result, denial of AEE’s petition would not yield an immediate flash cut to the \$250 cap in any case.

<sup>159</sup> “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.” See GCI August 6th Ex Parte at 2.

<sup>160</sup> *AEE/WCC Interim Relief Order* at 15836, para.1.

<sup>161</sup> The companies’ audited 2012 Consolidated Balance Sheets show [REDACTED] in addition to any other savings from the cost reductions that would bring their expenses to reasonable levels, as discussed above.

<sup>162</sup> If the companies reduce their expenses, the Bureaus would still need to analyze whether good cause exists to grant a waiver. See *supra* note 12.

54. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Julie A. Veach  
Chief  
Wireline Competition Bureau

Ruth Milkman  
Chief  
Wireless Telecommunications Bureau