

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Report on a Comprehensive Rural)	GN Docket No. 09-29
Broadband Strategy)	
_____)	

COMMENTS BY KODIAK-KENAI CABLE COMPANY, LLC

I. Introduction

In response to the Commission’s Public Notice for comments, Kodiak-Kenai Cable Company, LLC (“KKCC”) hereby offers its suggestions regarding the recommendations that the Commission has been called upon in the 2008 Farm Bill to include in its comprehensive rural broadband strategy, to be released by May 22, 2009. Specifically, KKCC would like to comment on recommendations 1(C) and (D), which require the Commission:

(C) to coordinate both short- and long-term needs assessments and solutions for a rapid build-out of rural broadband solutions and;

(D) to identify how specific Federal agency programs and resources can best respond to rural broadband requirements and overcome obstacles that currently impede rural broadband deployment.

These comments are provided on behalf of KKCC, formed in 2001 by the Old Harbor Native Corporation and Ouzinkie Native Corporation, to design and construct

the Kodiak Kenai Fiber Link.¹ The Kodiak Kenai Fiber Link is a 600 mile fiber optic system that was successfully completed on-time and on-budget and was placed in service in January 2007.² The Kodiak Kenai Fiber Link offers high-speed broadband capacity and services to telecommunications carriers and connectivity for the rural communities on the Kenai Peninsula and Kodiak Island. KKCC is a socially and economically disadvantaged small business concern as defined under Section 8(a) of the Small Business Act.

KKCC intends to pursue funds under the American Recovery and Reinvestment Act (the “Recovery Act”) in order to construct a new undersea fiber optic cable system to provide high-speed broadband to western and northern Alaska. Called the Northern Fiber Optic Link, the new cable would provide access, for the first time, to robust broadband capacity to more than 150 rural communities, thereby connecting the region’s people, hospitals, medical clinics, schools, remote university campuses, public safety offices, U.S. Coast Guard communications sites, commerce and industry with real-time telecommunications and Internet services.

The cable would extend from Kodiak Island to the Aleutian Islands, to communities in the Bristol Bay region, such as King Salmon and Naknek, then north to Bethel, Nome, Kotzebue, Barrow and Prudhoe Bay.³ Many of the communities that the cable will reach already have significant ground infrastructure at the landing sites.

¹ Old Harbor Native Corporation and Ouzinkie Native Corporation are Native village corporations established by Congress in 1971 under the terms of the Alaska Native Claims Settlement Act (“ANCSA”).

² Please see the Kodiak Kenai Cable Company’s website: www.KKFL.info.

³ See <http://www.northernfiberlink.info/pages/routes.html>.

Service providers will be able to quickly utilize the cable with their existing infrastructure and bring the reliable, high-speed broadband connectivity to customers that have been waiting for such service.

Nearly 40 percent of Alaska's land area (equal to approximately ten percent of the land mass of the 48 contiguous states) – the entire western half of the state – does not have reliable, high speed broadband connectivity. It is served, instead, by sporadic satellite service, which is plagued by limited capacity and frequent disruptions. Moreover, western Alaska has the most remote and impoverished communities in the United States. Unemployment ranges up to 90 percent and the poverty rate reaches as high as 50 percent. The economy is primarily dependent on federal and state jobs, and many rural residents remain highly reliant on subsistence hunting and fishing. The communities are isolated by rugged terrain, extreme weather increasingly exacerbated by the effects of climate change, and the lack of any road or rail system connecting them to any urban area. Its population is primarily Alaska Native, implicating federal trust responsibilities, especially for the federally recognized tribes in the region.

Of the more than 150 communities in western Alaska, most are located either along the coast, such as on the Bering Sea, the Chukchi Sea or the Arctic Ocean, or obtain essential services from communities along those coasts. Other than the gravel haul road to Prudhoe Bay, there are no roads to any of these communities. Instead, they are accessible only by boat or by plane. However, access by sea to these coastal communities is impossible most of the year, and aircraft are frequently grounded by

weather. Rural Alaska communities are extremely isolated, and lack any access to high-speed fiber optic broadband medical or educational services.

The Northern Fiber Link project would transform the infrastructure of the region. If it receives Recovery Act funds, which are necessary to fund the system's build-out, the new system will provide access to affordable, reliable, all weather, secure, high-speed broadband telecommunications services to over 150 rural communities in the largest unserved geographic area of the United States. It will create the first true on-ramp to the Internet for a significant area of rural Alaska, and rural America, where the residents suffer from some of the highest unemployment rates in the United States. It is critical infrastructure for the people, economy and cultures of this unique region.⁴ It will also establish a secure route for telecommunications services to the Arctic, which is vital for domestic energy supply, scientific research and national security.

II. Federal Agencies Should Support and Encourage the Deployment of a Broadband Backbone Network to Overcome Obstacles that Currently Impede Rural Broadband Development in Remote Locations

1. The FCC should encourage and support broadband networks that promote the goals of 47 U.S.C. § 254(b).

In Section 254(b) of the 1996 Telecommunications Act, Congress established specific universal service policies as national goals. Specifically, 47 U.S.C. § 254(b)(2) provided that:

⁴ The availability of broadband service in these communities will facilitate the delivery of high quality telemedicine and educational opportunities which, in turn, will help strengthen the communities' cultural traditions as residents will not need to leave their communities for basic medical care or education. Native languages are still spoken as a first language in many Alaska rural villages, a tradition that is threatened by out-migration.

Access to advanced telecommunications and information services should be provided in all regions of the Nation.

Another goal, under Section 254(b)(3) of the Act, 47 U.S.C. § 254(b)(3), provided that:

[c]onsumers 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, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

Section 706(c) of the 1996 Telecommunications Act describes “advanced telecommunications capacity” as:

high speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

In developing the comprehensive rural broadband strategy, the Commission should seek to ensure that consumers in all parts of the United States, no matter how rural or remote, no matter how challenged by terrain, have an opportunity to gain access to broadband facilities and services that are reasonably comparable to those provided in urban areas and at rates comparable to those charged for similar services in urban areas. Section 254(b) was enacted in 1996, which was 13 years ago, and most of western Alaska still does not have access to advanced telecommunications services at affordable rates, despite the mandate of Section 254(b)(3).

2. The FCC should encourage and support broadband networks that facilitate the highest speed and most reliable broadband to as many rural residents as possible by as many different service providers as possible.

In attempting to achieve its objective of “reasonably comparable” broadband access for rural consumers, the Commission’s comprehensive rural broadband plan should encourage and support a backbone network provided by a competitively neutral “carrier’s carrier” that will act as a “highway” to open up the availability of broadband service to as many rural residents as possible. The deployment of a backbone network will expedite access by businesses, government agencies, native corporations and tribes, and residents in rural communities to the same opportunities for high-quality, broadband service that urban businesses and residents enjoy. Because a backbone network would be operated on a carrier’s carrier basis, such broadband capacity would be offered to any service provider, on a competitively neutral basis, that wants to serve these otherwise unserved or underserved rural communities.

A neutral party managing the network would work to protect the carrier’s carrier model; this is unlike a retail carrier who would claim to be neutral, but who would, in fact, be driven to manipulate network control for competitive gain, thus, requiring further governmental oversight and administration. A neutral party, acting as a carrier’s carrier, would be driven to be neutral so as not to unbalance the business model and limit their ability to meet the market needs; therefore, further oversight or control is not required.

In western Alaska, there is no high-speed fiber optic broadband service at all because the communities are not accessible by road and are separated from urban

areas by hundreds of miles – or even a thousand miles – of incredibly challenging terrain, including large mountain ranges and treacherous waters. By establishing a broadband “highway,” these rural areas can also enjoy the long-term benefits of competition already found in most urban areas, since a competitively neutral backbone network, which is open for use to any broadband retailer, will facilitate competition. Congress has continued to make competition in rural areas an important goal and has included requirements to increase competition as part of its reauthorization of the RUS loan program in the 2008 Farm Bill,⁵ and in the Recovery Act.⁶

The Commission’s comprehensive rural broadband program should support broadband “highways” in hard to serve and widely dispersed areas such as western Alaska, in order to promote the goals of the Telecommunications Act of 1996. The present technological limitations and expense of satellite delivery for two-way broadband services has been well documented and is not “reasonably comparable” to broadband services available in urban areas.⁷ Any national broadband program, therefore, should support and encourage technologies that can deliver to rural areas advanced economic and safety benefits, such as telemedicine programs, distance

⁵ Food, Conservation and Energy Act of 2008, Pub. L. 110-246, § 6110(d)(2) (May 22, 2008).

⁶ American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, § 6001(j) (Feb. 17, 2009). Section 6001(j) conditions NTIA grants on adherence to the Commission’s broadband policy statement, FCC 05-151, which includes the principle that “consumers are entitled to competition among network providers, application and service providers, and content providers.”

⁷ See General Communication, Inc., Ex-Parte Notice, *Broadband Industry Practices*, WC Docket No. 07-52 (Feb. 23, 2008); Betty Ann Kane, NARUC Chairman, Testimony to the NTIA and RUS on the Recovery Act, page 10, available at http://www.ntia.doc.gov/broadbandgrants/090316/NTIA_031609_1000-1130session.pdf.

learning programs, and public safety and government services. Urban communities already enjoy broadband services that have the speed and reliability to deliver such beneficial services to their communities.

If the Commission does not support networks that will deliver the highest speeds and capacity to rural communities now, the gap between the benefits that rural communities and their urban counterparts enjoy will only widen, as Internet traffic continues to grow and is swiftly favoring visual applications.⁸ While remaining technologically agnostic, the Commission's strategy should encourage the deployment of technologies that will assure rural consumers the highest broadband delivery speeds on the most reliable terms.

In western Alaska, where many rural communities are found in coastal areas, the construction of an undersea fiber optic cable should be embraced for its potential to play a critical role in providing the necessary backbone to deliver the advanced and reliable broadband services that is comparable to the services available in urban areas.

3. Broadband grants in the Recovery Act should be awarded first to non-carrier owned projects that build the broadband backbone that will bring high-speed and reliable broadband access to as large an unserved area as possible.

In order to make the most efficient use of recently authorized resources, the Commission's comprehensive rural broadband strategy should call on the NTIA and the RUS to prioritize awarding broadband grants authorized by the Recovery Act to non-carrier owned projects that can be built within two years of the award in order for

⁸ It is estimated that by 2012, 90 percent of the internet traffic will be a form of video and that the internet will be 75 times larger than it was in 2002. *See* http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-481374_ns827_Networking_Solutions_White_Paper.html.

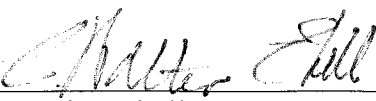
the broadband backbone networks or “highways” to reach as large an unserved rural area as quickly as possible. These neutral backbone systems will, in turn, allow competitive service providers to offer “last mile” services into remote communities, particularly if such backbone providers are operated as “carrier’s carriers.” This use of stimulus funds will represent a coordinated, inter-agency program for the rapid build-out of effective rural broadband solutions. Funding such “highways” for these communities will provide a viable, long-term solution for delivering broadband to the greatest number of unserved consumers, businesses and government agencies in the most remote areas of the country on a competitively neutral basis, to make possible broadband services at the highest speeds to these unserved and underserved communities.

III. Conclusion

KKCC believes that the federal support for the construction of a fiber highway by a carrier’s carrier, which is competitively neutral, will overcome obstacles that currently impede rural broadband deployment. This is the optimal solution for bringing broadband to rural Alaska, and will fulfill Congress’s universal service goals set forth in 47 U.S.C. § 254(b).

Dated this 25th day of March, 2009.

KODIAK-KENAI CABLE COMPANY, LLC

By: 
C. Walter Ebell
Its: Chief Executive Officer