

July 30, 2019

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

Re: Notice of *Ex Parte* Presentation, *Promoting Telehealth in Rural America*,  
WC Docket No. 17-310

Dear Ms. Dortch:

I write pursuant to 47 CFR § 1.1204(a)(10) to provide notice that Arielle Roth, legal advisor to Commissioner O’Rielly, contacted me by phone today at 12:40 p.m. and at 2:30 p.m. to seek clarification on certain of the issues raised in the July 25, 2019 *ex parte* letter filed by GCI Communication Corp. (“GCI”) in the above-referenced proceeding.<sup>1</sup> Our discussions are summarized below.

First, the Letter requests that, as applied to the state of Alaska, the new rules include four delineations of rurality within the “Extremely Rural” designation. I clarified for Ms. Roth that our proposal to create four delineations within the “Extremely Rural” designation is intended to identify and associate with each individual Extremely Rural community one of the four types of back haul technology deployed and available in the community, as follows:

- Roughly 107 communities are served by satellite-only and would be classified as “Satellite-only served;”
- Approximately 22 off-road communities have fiber in addition to satellite and/or microwave, and would be classified as “Off-road system/fiber-served;”
- Around 110 off-road communities have microwave, in addition to being able to be served by satellite, and would be classified as “Off-road system/terrestrially (non-fiber) served;” and

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<sup>1</sup> See Letter from T. Pidgeon, General Counsel, Chief Compliance Officer and Senior Vice President, Government Affairs, GCI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-310 (filed July 25, 2019) (“Letter”).

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- About 51 Alaska communities on the road system are served by fiber or microwave in addition to satellite—GCI proposes to classify these communities as “On-road system/terrestrial.”<sup>2</sup>

Given that Alaska has roughly 274 Extremely Rural communities, these delineations would add an essential level of granularity to aid USAC’s (and the Commission’s) program administration and oversight efforts. As I clarified for Ms. Roth, under GCI’s recommended approach, each community would fall into only one of these categories. And, the community category would be constant regardless of the technology used by the community’s individual service provider at any given time. For instance, Kotzebue would be classified as “Off-road system/fiber-served” even though GCI provides service by microwave.

I also clarified the importance of differentiating these communities by their backhaul infrastructure given that the costs of deploying and adding capacity are technology-specific. For a fiber-served community, additional capacity can be added simply by lighting additional fibers with relatively low incremental costs (even though initial deployment costs were high). For satellite, adding capacity requires adding transponders, which essentially makes costs increase in direct proportion to the increased bandwidth. Increasing capacity to a microwave-served community may mean installing new radios or radio links, or deploying fiber. These different cost characteristics would likewise affect the reasonable price of bandwidth in the given community. Thus, GCI’s proposal seeks to group like communities together as much as possible.

Next, the Letter requests that, as applied to the state of Alaska, the new rules adequately capture “similar service” attributes, including method of service delivery. I clarified for Ms. Roth that “method of service delivery” is a proxy for “latency” and that the new rules could specify “latency” in lieu of “method of service delivery.” Also, I clarified that a dividing line of 100 milliseconds would be consistent with the Commission’s rules for the Connect America Fund.<sup>3</sup>

Finally, I clarified for Ms. Roth that irrespective of the range of capacity for rate arrays, rates across capacity levels will not be apples-to-apples unless compared per unit of capacity. The Commission cannot reasonably assume that the total recurring charge for 70 mbps, 100 mbps and 130 mbps services should all be the same, which is the assumption behind the median calculation. Given that Commission action to set rates is exceedingly rare, the agency has an especially important obligation to exercise the necessary care to get it right on this first

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<sup>2</sup> We note that the Letter suggests “Road-system/fiber-served.” Here, we suggest “On-road system/terrestrial,” to broaden the scope and therefore more easily capture all applicable locations.

<sup>3</sup> See *CAF Phase II Price Cap Service Obligations*, Report and Order, WC Docket No. 10-90, 28 FCC Rcd 15060, 15068-70, ¶¶ 19-23 (2013) (requiring that CAF recipients certify that round-trip latency is at or below 100 milliseconds).

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attempt. This is certainly the case here—in setting broadband service rates across wide ranges of bandwidth. GCI submits that applying a per mbps comparison among similar services would result in an economically-sound formula, avoid disparate outcomes, and help secure this critical program with a sound footing, whether or not the Commission elects to replace the range of capacity for rate arrays at the low end with a minimum 30 mbps range.

Conclusion. At a macro level, I clarified for Ms. Roth that the rural telehealth program exists because Congress understood that market entry alone would not sufficiently ensure service to our nation's Extremely Rural communities, including those in Alaska. Action to homogenize these unique areas, each of which require different technologies and thus wide-ranging costs to serve, will ultimately harm the most vulnerable communities—those where service costs the most.

Please contact me directly with any questions.

Sincerely,

/s/

Angela E. Giancarlo  
Counsel to GCI Communication Corp.

cc: Arielle Roth  
Preston Wise  
Joseph Calascione  
Will Adams  
Travis Litman  
Randy Clarke