

November 9, 2018

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: GCI Application for Review of Decision Regarding Rural Health Care Support;
Promoting Telehealth and Telemedicine in Rural America, WC Docket No. 17-
310

CONFIDENTIALITY REQUEST

Dear RHC Review,

Pursuant to 47 C.F.R. §§ 0.457 and 0.459, GCI Communication Corp. (“GCI”) hereby requests confidential treatment of certain of the materials appended to the attached application for review, as well as the withholding of the designated information from any future public inspection. In support of this request, GCI hereby states as follows:

1. Identification of Specific Information for Which Confidential Treatment Is Sought (Section 0.459(b)(1))

GCI seeks confidential treatment with respect to certain of the supporting materials appended to the attached application for review. The materials consist of prior submissions to USAC and the Wireline Competition Bureau (“the Bureau”), regarding GCI’s rural rates for the services it provides to health care clinics participating in the Rural Health Care (“RHC”) Telecom Program, as well as the Bureau’s unpublished letter decision (“Bureau Decision”) for which GCI is requesting review. When initially providing the prior submissions, GCI had requested confidential treatment in their entirety because the Commission’s inquiry itself had not been made public. Now that the inquiry itself is public and GCI is attaching the prior submissions as factual support, GCI has indicated which portions contain commercial, financial, or otherwise proprietary information and should therefore be treated as confidential (hereinafter “Confidential Information”). Likewise, in attaching the unpublished Bureau Decision as factual support, GCI has indicated which portions contain Confidential Information.

The appended chart catalogs the supporting materials and indicates whether GCI is requesting confidential treatment for the document in its entirety (“Confidential in Entirety”), for portions of the document (“Confidential as Highlighted”), or not at all (“Fully Public”).

2. Description of Circumstances Giving Rise to the Submission (Section 0.459(b)(2))

GCI received information requests from the RHC Telecom Program regarding certain 2017 funding requests of the HCPs for which GCI is a service provider. GCI provided multiple confidential responses to the information requests from November 2017 through September 2018. On October 10, 2018, the Bureau approved a large percentage of the funding requests at issue, but at lower levels than GCI had requested.¹ GCI is therefore submitting an application for review of the Bureau's decision by the full Commission. The application for review references certain of the prior submissions, so GCI has attached them thereto as factual support.

3. Explanation of the Degree to Which the Information Is Commercial or Financial, or Contains a Trade Secret or Is Privileged (Section 0.459(b)(3))

The Confidential Information contains sensitive "trade secrets or privileged or confidential commercial, financial or technical data," which would customarily be guarded from competitors. This is sensitive commercial information that GCI does not otherwise make publicly available. As explained below, public disclosure of these measures could cause competitive commercial harm to GCI.

4. Explanation of the Degree to Which the Information Concerns a Service that Is Subject to Competition (Section 0.459(b)(4))

The Confidential Information concerns GCI's Alaska-based telecommunications services. The Alaskan wireline, wireless, and broadband market (including Ethernet) is subject to competition. In particular, the FCC recently found in the Business Data Services proceeding that the market for Ethernet services is highly competitive.

5. Explanation of How Disclosure of the Information Could Result in Substantial Competitive Harm (Section 0.459(b)(5))

Disclosure of the Confidential Information would cause substantial competitive harm. *First*, disclosure would reveal information regarding GCI's services, including performance characteristics, pricing, and HCP and E-rate customer information. GCI's competitors and customers could use this information to determine GCI's competitive position and associated revenues and thereby gain a competitive advantage. *Second*, disclosure of GCI's Confidential Information would place GCI at a competitive disadvantage, as GCI lacks the same information regarding its competitors. *Third*, disclosure of this information could harm the competitive bidding process in the RHC program.

¹ See *FCC Enables Alaska Carrier to Receive \$78M in Rural Health Care Funding*, Press Release, FCC (Oct. 10, 2018), <https://www.fcc.gov/document/fcc-enables-alaska-carrier-get-78m-rural-health-care-funding>.

**6. Identification of Any Measures Taken to Prevent Unauthorized Disclosure
(Section 0.459(b)(6))**

GCI does not distribute the Confidential Information to the public, government officials, competitors, or customers. In initially submitting to the Commission the materials appended to the attached application for review, GCI requested confidential treatment of them. Here, GCI redacted the Confidential Information from the public version of the application for review and highlighted the Confidential Information in the non-public version. In addition, each page containing Confidential Information is clearly marked in bold-face type "GCI Proprietary – Not for Public Disclosure" or "GCI Proprietary Material Is Highlighted – Not for Public Disclosure," as applicable.

**7. Identification of Whether the Information Is Available to the Public and the
Extent of Any Previous Disclosure of the Information to Third Parties
(Section 0.459(b)(7))**

GCI's Confidential Information is and shall remain unavailable to the public. As noted in Part 6 above, GCI has not previously disclosed to third parties, other than the undersigned counsel and the Commission, any of the Confidential Information.

**8. Justification of Period During Which the Submitting Party Asserts that
Material Should Not Be Available for Public Disclosure (Section 0.459(b)(8))**

GCI requests that the Confidential Information not be disclosed for 10 years from the date of this request. By that time, the sensitivity of GCI's commercial information will have diminished, as market changes will render it increasingly dated, and would make it difficult for competitors to gauge GCI's current market position and revenues.

* * * *

Should you have further questions or require additional information in order to grant the requested confidentiality treatment, please contact me immediately so that I can provide further assistance to resolve this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Bagg".

Jennifer P. Bagg
Counsel to GCI Communication Corp.

Encls: Chart Indicating Supporting Materials and Status of Request for Confidential Treatment
Application for Review
Supporting Materials

Chart Indicating Supporting Materials
and Status of Request for Confidential Treatment

Exhibit	Document Title	Confidential Status
Exhibit AA	Letter from Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur., at 2 (Oct. 10, 2018)	Confidential as Highlighted
Exhibit A	Letter from Jennifer P. Bagg, Counsel for GCI, to USAC, Rural Health Care Program (Nov. 21, 2017)	Confidential as Highlighted
	FRN Justification Spreadsheet	Confidential in Entirety
	Supporting Invoices	Confidential in Entirety
	GCI Anchorage MPLS Rate Table	Fully Public
	Customer Comparables Sheet	Confidential in Entirety
Exhibit B	Letter from Jennifer P. Bagg, Counsel for GCI, to USAC, Rural Health Care Program (Dec. 7, 2017)	Fully Public
	Customer Comparables Sheet Revised	Confidential in Entirety
	GCI TERRA Customer Comparables	Confidential in Entirety
	GCI Satellite Customer Comparables	Confidential in Entirety
	GCI Terrestrial Customer Comparables	Confidential in Entirety
Exhibit C	Letter from Jennifer P. Bagg, Counsel for GCI, to USAC, Rural Health Care Program (Mar. 30, 2018)	Confidential as Highlighted
	Master FRN Justification Spreadsheet	Confidential in Entirety
	Master FRN Justification Spreadsheet Key	Confidential in Entirety
	TERRA-Satellite-Terrestrial Comparables	Confidential in Entirety
	Local Loop Justification	Confidential in Entirety
	TERRA ROR Model	Confidential in Entirety
	Rate of Return Analysis of GCI's TERRA Network (Brattle TERRA Report)	Confidential as Highlighted
	Commercial Customer Invoices	Confidential in Entirety
	E-Rate Contracts	Confidential in Entirety
	FRN Invoices	Confidential in Entirety
	TERRA Rate Tables	Fully Public
	Tariff Channel Termination Rates	Confidential in Entirety
	2015 USAC Audit Letter	Confidential as Highlighted
	Exhibit A: 2010 USAC Funding Commitment Letters	Confidential in Entirety

	Exhibit B: Breakdown of Rural Rates	Confidential in Entirety
Exhibit D	Letter from Jennifer P. Bagg, Counsel for GCI, to USAC, Rural Health Care Program (Apr. 24, 2018)	Confidential as Highlighted
	USAC Open Source GCI E-Rate Data	Confidential in Entirety
	TERRA DIAS Product and Pricing	Confidential in Entirety
Exhibit E	Letter from John T. Nakahata et. al, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (May 15, 2018)	Confidential as Highlighted
	E-rate Rural Rate Analysis – GCI Response	Confidential in Entirety
	Supporting Contracts	Confidential in Entirety
Exhibit F	Letter from John T. Nakahata et. al, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (June 18, 2018)	Confidential as Highlighted
	TERRA ROR Bandwidth Allocation	Confidential in Entirety
	TERRA ROR Revenue Allocation	Confidential in Entirety
	TERRA ROR Model (with revised Revenue Rate)	Confidential in Entirety
	Satellite ROR Model	Confidential in Entirety
	Rate of Return Analysis of GCI's Satellite-Based Services (Brattle Satellite Report)	Confidential as Highlighted
	Satellite ROR Bandwidth Allocation	Confidential in Entirety
	Satellite ROR Revenue Allocation	Confidential in Entirety
	How Arbitrary is 'Arbitrary'	Fully Public
Exhibit G	Letter from John T. Nakahata et. al, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (June 21, 2018)	Confidential as Highlighted
Exhibit H	Letter from John T. Nakahata et. al, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (June 29, 2018)	Fully Public
	TERRA ROR Bandwidth Allocation	Confidential in Entirety
	TERRA ROR Revenue Allocation	Confidential in Entirety
	TERRA Bandwidth Allocation/Utilization Report	Confidential in Entirety
	TERRA Bandwidth Allocation Methodology	Confidential as Highlighted
Exhibit I	Letter from Jennifer P. Bagg, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (July 2, 2018) ("July 2, 2018 Letter")	Fully Public
	Satellite ROR Bandwidth Allocation	Confidential in Entirety
	Satellite ROR Revenue Allocation	Confidential in Entirety

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Exhibit J	Email from John Nakahata, Counsel for GCI, to Elizabeth Drogula and Preston Wise (July 31, 2018)	Confidential as Highlighted
Exhibit K	Letter from Jennifer P. Bagg, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (Aug. 21, 2018)	Confidential as Highlighted
	Revised Bandwidth Allocation Methodology	Confidential as Highlighted
	Revised TERRA Bandwidth Utilization	Confidential in Entirety
	Revised TERRA ROR Cost Study (Bandwidth)	Confidential in Entirety
	Revised TERRA ROR Cost Study (Revenue)	Confidential in Entirety
Exhibit L	Letter from Jennifer P. Bagg, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (Sept. 10, 2018)	Fully Public
	Satellite Proposal	Confidential as Highlighted
Exhibit M	Letter from Jennifer P. Bagg, Counsel for GCI, to Elizabeth Drogula, Deputy Div. Chief, Wireline Comp. Bur. (Sept. 17, 2018)	Confidential as Highlighted