

November 13, 2017

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Bridging the Digital Divide for Low-Income Consumers*, WC Docket No. 17-287;
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42;
Telecommunications Carriers Eligible for Universal Service Support, WC Docket
No. 09-197

Dear Ms. Dortch:

On November 8, 2017, Chris Niernan of General Communication, Inc. (“GCI”) and I met with Claude Aiken, Legal Advisor to Commission Clyburn, with respect to the draft Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry (FCC-CIRC1711-05), which was publicly released on October 26, 2017. On November 9, 2017, Mr. Niernan and I met separately with Travis Litman, Chief of Staff and Senior Legal Advisor to Commissioner Rosenworcel, Amy Bender, Legal Advisor to Commissioner O’Rielly, and Jamie Susskind, Chief of Staff to Commissioner Carr, with respect to the same draft.

The proposed change to limit Tribal Lands Lifeline support to “rural” areas as defined under the E-Rate program will have a significant impact in Alaska, whose low-income residents have been hit hard by a serious economic downturn.¹ GCI estimates that as many as two-thirds of Alaska’s Lifeline consumers will lose Tribal Lifeline support.

If the Commission adopts this provision of the proposed Order, GCI will have to revise significantly its Alaska Lifeline offerings, which currently are uniform throughout the state. While GCI has not yet determined what new plans might look like, it is highly likely that consumers that lose Tribal support will face significant reductions in what is available at current rates. (GCI’s Lifeline plans are all post-paid plans.) To mitigate the impact on these consumers and to avoid subjecting them to a dramatic flash-cut, the Commission should phase-down Tribal Lands support in the non-rural areas. This would allow GCI and other providers with current Tribal Lifeline customers in non-rural areas to provide a more gradual change in their plans. In order to prevent multiple rate changes per year, we suggest the following phase down: Upon the effective date following Federal Register announcement of OMB approval under the Paperwork Reduction Act (PRA), non-rural Tribal support falls to \$15 per month; on

¹ See, e.g., <https://www.adn.com/business-economy/2017/10/29/more-households-are-using-food-stamps-and-medicaid-in-the-sluggish-alaska-economy/> (“The number of Alaska households using food stamps was up about 24 percent in September compared to the same time last year.”).

December 1, 2019, non-rural Tribal support falls to \$5 per month; on December 1, 2020, non-rural Tribal support is eliminated. The second two phase-down steps would coincide with previously established reductions in standalone voice support, thus eliminating the need for separate rate changes and customer notifications.

In addition, because these changes will also require information technology systems changes, we recommended that the Commission set a definite “no earlier than” effective date so that project managers have a high likelihood fixed implementation date to shoot for. In this case, because the changes to Tribal Lands support are not proposed to be effective until 90 days after Federal Register announcement of PRA approval by OMB, we suggest that the Commission make these changes effective at the later of August 1, 2018 or 90 days after Federal Register announcement of PRA approval by OMB. Given that the PRA approval process requires 60 days for comments to the FCC, plus a 30 day comment period at OMB, with some agency processing time, we anticipate that PRA approval would normally be expected sometime during spring 2018. Drafting the effective date in the manner suggested would provide greater planning certainty, but also care for the contingency that PRA approval takes longer than would be expected.

Finally, we recommend that the Commission change the draft requirement to notify customers in non-rural areas that they are no longer eligible for Tribal Lands support. Particularly if the Commission adopts a phase-down as we suggest, the loss of Tribal Lands support may not coincide precisely with changes to ETCs’ Lifeline plans. Receiving a notice regarding a loss of Tribal Lands support is unlikely to be meaningful to a consumer if there is no concurrent change to the service plan or the price paid by the consumer. We suggest instead that Lifeline ETCs be required to notify customers before any change to their plans or the prices that they pay due to the loss of Tribal Lands support.

Please contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Veach", with a stylized flourish at the end.

Julie A. Veach
Counsel to General Communication, Inc.

cc: Claude Aiken
Amy Bender
Jamie Susskind
Travis Litman