



October 31, 2014

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

RE: **Ex parte filing** in WC Docket No. 10-90

Dear Ms. Dortch:

On October 29, Dave Dengel and Shilah Butler from Copper Valley Telecom¹ (CVT), Dave Goggins from TelAlaska, Christine O'Connor from ATA and the undersigned from GVNW Consulting, Inc. (GVNW) conducted an ex parte meeting with Amy Bender from Commissioner O'Rielly's office. This ex parte covers the majority of the discussion items, with recent efforts by the ATA to develop an Alaska consensus plan covered in a separate ex parte letter to be filed by Ms. O'Connor.

This ex parte meeting consisted of a discussion of two primary issues: First, we discussed various aspects of Commissioner O'Rielly's September 5, 2014 blog statement² after his August visit to the state of Alaska wherein he opined that Alaska is unique: "*Seeing it again, however, reminded me not only of its immense size, but also of its uncompromising terrain.*" With respect to this uncompromising terrain, Mr. Dengel presented a letter from his telecommunications construction contractor Michels Corporation that discussed various factors, including the presence of permafrost that **result in the costs to deploy telecommunications plant in Alaska when on the road system as being 2.5 to 3 times more than what would be experienced in the contiguous lower 48 states.**

Second, we discussed CACM issues including the fact that while the FCC staff has worked on developing a model that applies to the operations of only 13 price cap carriers over the last four years, it is understandable that they do not want to hear that a lot of work remains. But those are the facts and equity for high cost areas such as Alaska require additional careful thought in developing forward-looking and data driven national policy.

¹ Mr. Dengel and Ms. Butler shared their observations from the October 28 White House event for their Smart Rural Community award.

² <http://fcc.us/11FDFFM>

In their August 8, 2014 Omnibus docket comments at page 9, CenturyLink succinctly captures the essence of the problem if such a model is to be applied to rural rate-of-return carrier study areas by observing that cost data modeled in CACM are “reasonable estimates on average, but they cannot accurately estimate costs for any given location, node, or network route because of variances between modeled and real world conditions. Additionally there necessarily will be differences between the [Connect America Cost Model] modeling and actual network deployments because a significant number of high-cost locations in the model are based on statistical algorithms or have changed since the last Census.”

The Commissioner also observed in his blog last month that Alaska schools need connections, not Wi-Fi. We also reviewed the steps that ATA members, including Copper Valley and TelAlaska are engaged in to increase capacity and avail their customers of robust connections, in light of the immense size of their service areas and the challenges that accompany serving areas of uncompromising terrain.

As required by the Commission’s rules, this ex parte record is now filed in the above referenced docket. If there are any questions, please call me on 503.612.4409.

Respectfully submitted,

Via ECFS 10/31/14

Jeffrey H. Smith
President and CEO

Copy to
Amy Bender, FCC
Dave Dengel
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