



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, Steve Merriam and Clover McNeil from Arctic Slope Telephone Association Cooperative (ASTAC), Dave Dengel and Shilah Butler from Copper Valley Telecom (CVT), Dave Goggins from TelAlaska, Doug Neal from OTZ Cooperative, Christine O'Connor from the Alaska Telephone Association and the undersigned from GVNW Consulting, Inc. (GVNW) conducted an ex parte meeting with the following members of the Wireline Competition Bureau staff: Carol Matthey, Patrick Halley, Suzanne Yelen, Alex Minard, and Ryan Palmer.

This ex parte meeting consisted of a discussion of two primary issues: First, we discussed how construction costs in the state of Alaska are created by *immense size and 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 CAM issues including the staff perspective regarding timing and intentions with regard to whether the price cap version of CAM will be mandatorily applied to rate of return carriers. Ms. Matthey assured the group that it was not the intent of WCB staff to propose a mandatory application of the price cap CAM to Alaska rate of return carriers. We expressed our appreciation for such an approach in high cost areas such as Alaska that require additional careful thought in developing forward-looking and data driven national policy.

We also reviewed the steps that ASTAC, Copper Valley, TelAlaska and OTZ 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.

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. 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

Attachment – Michels letter, 2 CVT attachments

Copy to

Carol Matthey
Patrick Halley
Suzanne Yelen
Alex Minard
Ryan Palmer

Dave Dengel
Shilah Butler
Dave Goggins
Steve Merriam
Clover McNeil
Doug Neal
Christine O'Connor