

**Yukon Telephone Company, Inc., Transferor  
United Utilities, Inc., Transferee**

**February 10, 2015**

**APPLICATION FOR CONSENT TO TRANSFER CONTROL  
OF DOMESTIC SERVICES OF YUKON TELEPHONE COMPANY, INC.  
TO UNITED UTILITIES, INC.**

**1. DESCRIPTION OF THE TRANSACTION**

Yukon Telephone Company, Inc. (“YukonTel” or the “Transferor”) and United Utilities, Inc. (“UUI” or the “Transferee”) (together, the “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.03 and 63.04 of the Commission’s rules, 47 C.F.R. §§ 63.03 and 63.04, hereby request Commission consent to enable Applicants to consummate a transaction that will result in the transfer of control of YukonTel to UUI.

YukonTel, an Alaska corporation, provides domestic local exchange telephone service in and around three communities of Alaska. YukonTel currently is a direct, wholly-owned subsidiary of Yukon Tech, Inc. (“YukonTech”), a holding company organized in Alaska. Pursuant to a two-stage stock purchase transaction, UUI will first acquire all of the outstanding stock of Yukon Tech, which will make YukonTel a wholly-owned indirect subsidiary of UUI. Immediately upon consummation of the first stage of the transaction, all of the YukonTel stock will be transferred from YukonTech to UUI, which will make YukonTel a wholly-owned direct subsidiary of UUI. Post consummation, YukonTel will continue to provide telecommunications services under its existing contracts and tariffs as a wholly-owned and distinct corporate entity from UUI.

The proposed transaction is not expected to result in any loss or impairment of service to the YukonTel customers. Customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements.

YukonTel provides domestic telecommunications services to its customers. YukonTel does not provide interexchange services. YukonTel customers make international calls through the long distance company to which traffic is automatically routed when dialing 1+. Post consummation, YukonTel customers will be enabled to also make international calls through their relationship with UUI. Within 30 days of consummation of the subject transaction, UUI will submit a notice of subsidiary operation to enable YukonTel to operate under the international section 214 authority held by UUI's parent, GCI Communication Corp. ("GCICC") (FCC file no. ITC-214-19960116-0000), as a wholly-owned subsidiary.

As part of the staged stock purchase transactions, UUI also will acquire the stock of the YukonTech subsidiaries, BBN Inc. ("BBN") and Supervision, Inc. ("Supervision"). BBN currently holds five fixed point-to-point microwave licenses (under call signs WQPP359, WQPP360, WQPP361, WQPP364, and WQTY915). Upon closing, the stock of BBN will be transferred to BBN's parent, GCICC, which will make BBN a wholly-owned subsidiary of GCICC and affiliate of UUI. The parties will file applications under Title III to transfer control of the five BBN licenses to GCICC. The five wireless licenses are currently being operated by GCICC pursuant to a Spectrum Manager Lease Agreement (FCC file no. 0006288535). Supervision provides cable television and Internet services in and around certain communities in Alaska. Upon consummation, UUI will transfer its interest in the assets of Supervision to UUI's affiliate, GCI Cable Inc. ("GCI-C").

A post-consummation chart of the organization structure can be found on the last page of this attachment.

## **2. DESCRIPTION OF THE APPLICANTS**

YukonTel is a closely-held Alaska corporation with principal offices at 6270 Beechcraft Road, Wasilla, Alaska 99654. YukonTel provides local exchange telephone service in and around the communities of Ruby, Tanana, and Whittier, Alaska. YukonTel is a wholly-owned subsidiary of YukonTech, an Alaska corporation holding company that is owned by Don Eller, Ralph Eller, and Paula Eller, all U.S. citizens. YukonTech also owns Supervision, a cable television and internet access service provider, and BBN, a wireless hi-speed Internet service provider. At closing, control of BBN will transfer to UUI's parent, GCICC, and the assets of Supervision will be transferred to UUI's affiliate, GCI-C.

UUI is an Alaska corporation with principal offices at 5450 A Street, Anchorage, Alaska 99518. UUI is a rate of return incumbent local exchange carrier ("ILEC") serving 58 communities in Alaska with telephone service.<sup>1</sup> UUI is a wholly-owned subsidiary of GCICC, which is wholly-owned by GCI Holdings, Inc. ("GCI Holdings"). GCI Holdings is wholly-owned by GCI, Inc., which is wholly-owned by General Communication, Inc. GCICC is a competitive local exchange carrier ("CLEC") and interexchange carrier ("IXC").

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<sup>1</sup> UUI serves the following 58 communities in Alaska: Akiak, Akiachak, Alakanuk, Arctic Village, Atmaultluk, Beaver, Bethel, Birch Creek, Central, Chalkyitsik, Chefornak, Chenega Bay, Chevak, Chuathbaluk, Eek, Emmonak, Gambell, Goodnews Bay, Hooper Bay, Kasigluk, Kipnuk, Kongiganak, Kotlik, Kwethluk, Kwigillingok, Lake Minchumina, Lime Village, Livengood, Manley Hot Springs, Marshall, McGrath, Mekoryuk, Minto, Mountain Village, Napaskiak/Oscarville, Newtok, Nightmute, Nikolai, Nunum Iqua, Nunapitchuk, Pilot Station, Platinum, Quinhagak, Rampart, Russian Mission, Savoonga, Saint Marys/Pitkas Point, Scammon Bay, Stevens Village, Takotna, Togiak, Toksook Bay, Tuluksak, Tunututuliak, Tununak, Twin Hills, Unalakleet, Venetie.

### **3. PUBLIC INTEREST STATEMENT**

This Application for Commission consent demonstrates that this transaction will yield affirmative public interest benefits. The transaction will ensure the continued viability of YukonTel and the services it provides to numerous customers. In addition, UUI intends to provide financial resources and management expertise to expand the network and marketing potential of YukonTel, thereby providing increased competition and enhanced service capabilities in the telecommunications market. UUI is a strong company that provides exceptional local telephone services to residential customers, businesses, and schools throughout the Yukon Delta area of Alaska. UUI has constructed and operates telecommunications systems in 58 Alaska communities through a 100% digital switching network, satellite earth stations, radio, and terrestrial microwave equipment.

As noted above, the proposed changes in ownership of YukonTel will not confuse, inconvenience, or otherwise harm YukonTel's customers. Customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions will be made consistent with Commission requirements. Moreover, YukonTel and UUI are not competitors. Thus, the proposed transfer of control does not present any competitive issues.

In sum, grant of the application will serve the public interest by strengthening the competitive position of UUI without negatively impacting either the customers or competition in which UUI will operate. Therefore, the Commission should conclude that the proposed transaction will not violate the Act or Commission rules, nor frustrate or undermine the policies

or enforcement of the Act by reducing competition or otherwise. Accordingly, the application is entitled to prompt Commission consent.

**4. SECTION 63.04 INFORMATION** - Information addressing the requirements set forth in Section 63.04(a) of the Commission's rules, 47 C.F.R. § 63.04(a), is set forth below:

**(a)(1) Names, addresses, and telephone numbers of Applicants**

**Transferor, YukonTel** – FRN 0004983896  
Yukon Telephone Company, Inc.  
6270 Beechcraft Road  
Wasilla, AK 99654  
(907) 745-5363

**Transferee, UUI** – FRN 0001571561  
United Utilities, Inc.  
5450 A Street  
Anchorage, AK 99518  
(907) 273-5291

**(a)(2) Place of organization**

YukonTel (Transferor): Alaska  
UUI (Transferee): Alaska

**(a)(3) Contact information**

Please direct any questions concerning Transferor, YukonTel, to:

Donald B. Eller  
President and CEO  
Yukon Telephone Co., Inc.  
6270 Beechcraft Road  
Wasilla, AK 99654  
(907) 745-5363  
[alaska@ytcmail.com](mailto:alaska@ytcmail.com)

Please direct any questions concerning Transferee, UUI, to:

Mark Moderow  
Corporate Counsel  
United Utilities, Inc.

2550 Denali Street, Suite 1000  
Anchorage, AK 99503  
(907) 868-5664  
[mmoderow@gci.com](mailto:mmoderow@gci.com)  
with a copy to:

Randall W. Sifers  
Harris, Wiltshire & Grannis LLP  
1919 M Street, NW, Eighth Floor  
Washington, DC 20036  
(202) 730-1307  
[rsifers@hwglaw.com](mailto:rsifers@hwglaw.com)

**(a)(4) Ownership information**

**Current ownership of Assignor, YukonTel**

YukonTel is a wholly-owned subsidiary of YukonTech, an Alaska corporation holding company. Yukon Tech is owned as follows: Donald B. Eller, 6270 Beechcraft Road, Wasilla, AK 99654, a U.S. citizen, owns 49% of YukonTech and Ralph E. Eller, 6270 Beechcraft Road, Wasilla, AK 99654, a U.S. citizen, owns 49% of YukonTech.

**Ownership of Assignee, UUI**

UUI is a wholly-owned subsidiary of GCICC. GCICC is wholly-owned by GCI Holdings. GCI Holdings is wholly-owned by GCI, Inc., which is wholly-owned by General Communication, Inc. GCICC is a competitive LEC provider, an interexchange service provider, and a CMRS provider serving most of Alaska with facilities-based voice and data services, including second generation (“2G”), third generation (“3G”), and more advanced mobile broadband services using Evolved High-Speed Packet Access (“HSPA+”) and long-term evolution (“LTE”) services. No other entity holds directly or indirectly ten percent or more of the equity of Assignee, UUI.

**(a)(5) Anti-Drug Abuse Act certification**

As evidenced by the signatures to this Application, UUI certifies that, pursuant to Sections 1.2001 through 1.2003 of the Commission’s rules, 47 C.F.R. §§ 1.2001-1.2003, it is not subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

**(a)(6) Description of transaction**

See Section 1 above

**(a)(7) Geographic areas**

Transferor, YukonTel, provides domestic local exchange telephone service in the communities of Ruby, Tanana, and Whittier, Alaska.

Transferee, UUI, is a rate of return incumbent local exchange carrier serving 58 communities in Alaska: Akiak, Akiachak, Alakanuk, Arctic Village, Atmaultuak, Beaver, Bethel, Birch Creek, Central, Chalkyitsik, Cheforak, Chenega Bay, Chevak, Chuathbaluk, Eek, Emmonak, Gambell, Goodnews Bay, Hooper Bay, Kasigluk, Kipnuk, Kongiganak, Kotlik, Kwethluk, Kwigillingok, Lake Minchumina, Lime Village, Livengood, Manley Hot Springs, Marshall, McGrath, Mekoryuk, Minto, Mountain Village, Napaskiak/Oscarville, Newtok, Nightmute, Nikolai, Nunum Iqua, Nunapitchuk, Pilot Station, Platinum, Quinhagak, Rampart, Russian Mission, Savoonga, Saint Marys/Pitkas Point, Scammon Bay, Stevens Village, Takotna, Togiak, Toksook Bay, Tuluksak, Tunututuliak, Tununak, Twin Hills, Unalakleet, Venetie.

**(a)(8) Streamlined treatment**

Not applicable

**(a)(9) Related Commission applications**

The parties will file applications under Title III to transfer control of five point-to-point microwave licenses held by YukonTel's affiliate, BBN Inc., to GCICC.

**(a)(10) Special consideration**

Applicants are not seeking special consideration of this application.

**(a)(11) Separately filed waiver requests**

Not applicable.

**(a)(12) Public interest statement**

See Section 3 above.

Post-Closing Structure

