



February 3, 2016

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

RE: **Ex parte filing** in WC Docket No. 10-90; WC Docket No. 05-337; WT Docket No. 10-208;  
WC Docket No. 14-58; WC Docket No. 07-135; CC Docket No. 01-92

Dear Ms. Dortch:

On February 3, Steve Merriam from Arctic Slope Telephone Association Cooperative (ASTAC), Dave Dengel from Copper Valley Telecom, Michael Burke from Matanuska Telephone Association and the undersigned from GVNW Consulting, Inc. (GVNW) conducted a telephonic ex parte meeting with Amy Bender from Commissioner O’Rielly’s office.

The ex parte began with our group looking back nearly a year ago to Commissioner O’Rielly’s insight on CAF timing for rate-of-return carriers in his March 24, 2015 blog post: USF High-Cost Program: Best and Realistic Timelines. Our group expressed support for the fact that the time is right for the Commission to implement the consensus Alaska plan as a part of the package of CAF changes. Any further delay frustrates the deployment of rural broadband that is needed to bring the benefit of this platform to the customers in the state of Alaska.

We next discussed two key concerns regarding the inaccurate information that ACS has placed in the public record concerning the Alaska plan. First, the consensus Alaska Plan that includes performance obligations was patterned after the template that ACS received in its price cap carrier support reform. ACS has had the benefit of frozen support since the start of 2012 and continues to receive frozen support today at 2011 levels, while other carriers in Alaska have experienced significant reductions<sup>1</sup> in support. A possible difference at the date of this ex parte is in the area of performance obligations. The ACS proposal in this regard has not yet received FCC action and the Alaska Plan performance obligations are a proposal that was discussed extensively with Bureau staff on November 17, 2015.

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<sup>1</sup> For the 2011-2014 period with respect to total disbursed ICLS/HCLS, Arctic Slope has lost \$610,327, and Matanuska has lost \$4,526,546, with the entire subset of rate of return carriers in the state having seen a reduction of \$7,403,918 for this same period.

Second, Alaska middle mile issues are only **partially** discussed by ACS. While all parties understand the magnitude of the middle mile problem in Alaska, ACS chooses to ignore the current trend line for middle mile progress in Alaska. ACS in essence asks for the whole reform process to stop for every other carrier in Alaska and wait for a process that is certain to take a decade to complete, involves significant changes to existing rules and likely faces extensive litigation costs. That is neither fair nor realistic.

Mr. Burke provided a preliminary update on current middle mile activities underway in Alaska. During next week's February 9 ex parte visit, we will discuss in greater detail the reality that middle mile is the **step after** the FCC completes timely adoption of the consensus Alaska Plan that relates to the last mile costs. If last mile issues are not adequately addressed for Alaska, any middle mile debate is moot.

We also reviewed the special circumstances that create higher than average costs for carriers such as ASTAC, Copper Valley and Matanuska and the entire subset<sup>2</sup> of rural carriers serving the state of Alaska.

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 2/3/16

Jeffrey H. Smith  
President and CEO

Copy to  
Amy Bender, FCC  
Steve Merriam, ASTAC  
Dave Dengel, Copper Valley  
Michael Burke, MTA

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<sup>2</sup> For carriers in Alaska that provide service to one of the most resource-rich areas of our country that helps fuel the national economy, this service is provided in an environment that in many places lacks a road system, commercial power and is impacted by extreme geographical and climactic challenge. Three examples in Alaska include Copper Valley that serves territory that includes the most expensive portion to construct of the Trans-Alaska Pipeline System (TAPS), ASTAC that serves an area larger than 40 states, and MTA that serves over 10,000 square miles of service territory, taking over four hours to drive one way from one end to the other. Nor is providing broadband in these areas an average cost project under any metric.

Ignoring empirical cost data is a poor basis for formulating public policy that should be geared to achieving a national broadband plan.