



HARRIS, WILTSHIRE
& GRANNIS LLP

June 1, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Connect America Fund*, WC Docket No. 10-90; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

On May 26, 2016, General Communication, Inc. submitted an *ex parte* letter in the above-captioned dockets, and attached to the letter was a map of Alaska middle-mile facilities. The attached *ex parte* corrects the prior version by including a different map.

Please contact me if you have any questions.

Sincerely yours,

A handwritten signature in blue ink that reads 'J. Veach'.

Julie A. Veach
Counsel to General Communication, Inc.

cc: Jim Schlichting
Chris Helzer
Paroma Sanyal
Tom Tran
Alex Minard

May 26, 2016

Ex Parte

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

Re: *Connect America Fund*, WC Docket No. 10-90; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

On May 24, 2016, Chris Nierman of General Communication, Inc. (“GCI”), William Zarakas and David Kwok of The Brattle Group, and I met with Jim Schlichting, Senior Deputy Chief of the Wireless Telecommunications Bureau, Chris Helzer, Chief Engineer of the Wireless Telecommunications Bureau, Paroma Sanyal, Chief Economist of the Wireless Telecommunications Bureau, and Tom Tran, Engineer, Competition and Infrastructure Policy Division, Wireless Telecommunications Bureau. We reviewed the cost model prepared by The Brattle Group that GCI filed in these proceedings on May 10, 2016.¹ While GCI filed the model, it is not a GCI-specific model. Rather, it estimates the incremental cost to provide LTE in all populated areas of remote Alaska not already served by AT&T or Verizon Wireless LTE.

Much of the structure of the 2016 Brattle Cost Model remains the same as the model that The Brattle Group developed for GCI in 2012 and 2013 in anticipation of the Mobility Fund Phase I and Tribal Mobility Phase I auctions, but important changes were made to tailor the model to its new purpose: The geographic coverage of the model was conformed to the Alaska Plan-eligible Census blocks – those blocks in which an Alaska Plan signatory offers mobile service to 15 percent or more the population, but where AT&T or Verizon Wireless does not serve 85 percent or more of the population with LTE;² and those blocks that are currently unserved and would become eligible for the reverse auction contemplated by the Alaska Plan. Also, the model examines the costs to deploy and operate a 4G network, rather than a 3G

¹ Letter from John T. Nakahata, Counsel to General Communication, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (filed May 10, 2016), Attach. (“2016 Brattle Cost Model”). GCI filed highly confidential and redacted versions of the 2016 Brattle Cost Model, and also filed the model electronically on a password-protected thumb drive.

² See Letter from John T. Nakahata, Counsel to General Communication, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (filed April 19, 2016), at 1-2 (explaining the methodologies used to identify blocks served by AT&T or Verizon Wireless with LTE and blocks served by Alaska Plan signatories).

CORRECTED

Ms. Marlene H. Dortch
May 26, 2016
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network. As Mr. Zarakas explained, customers using 4G are expected to demand more data than customers on 3G, and higher data consumption requires additional backhaul capacity to connect the tower to the Internet-connected network.

Mr. Zarakas explained how the 2016 Brattle Model estimates the number of new towers that would be required to deploy 4G. Where towers exist, the model assumes that no new tower would be required. Where no towers exist but there are other communications facilities, such as an earth station, the model assumes that the same site would be used for the construction of the new tower. And in areas that are currently completely unserved, the model examines the boroughs where mobile service is already available, and calculates an average number of road miles per existing tower. The model then applies this average to the number of road miles in unserved Census blocks, thereby estimating how many new towers would be required. This method suitably estimates the number of towers needed to serve the populated but currently unserved areas, as most of the population live near roads. Unlike other areas of the country, in remote Alaska the roads around a village may not connect to another village, and thus may not pass through large unpopulated areas.

We briefly described backhaul in remote Alaska, and provided the attached map. Mr. Zarakas explained that the model uses fiber backhaul wherever it is available, followed by microwave, and then satellite if there is no other option. Thus, the model uses the most efficient source of backhaul available.

Mr. Zarakas and Mr. Kwok also discussed some of the specific elements of the model, including the subscription rate, the expected data usage rate, spectral efficiency of satellite transmission, satellite capacity provisioning, capital expenditures to connect to existing backhaul, marginal revenues, and the locations of existing towers.

Should you have any questions, please communicate with me at jveach@hwglaw.com or (202) 730-1311.

Sincerely,



Julie A. Veach
Counsel to General Communication, Inc.

cc: Jim Schlichting
Chris Helzer
Paroma Sanyal
Tom Tran
Alex Minard

CORRECTED

Alaska Middle-Mile Infrastructure

As of 2015

-  Fiber
-  Microwave
-  Satellite

