point. The employees recommended that if CATG was inclined to select GCI that the Board pursue further negotiations with the company to modify the proposed contract terms.

As Pat Stanley describes it, the employees gave technical advice that helped the Board to evaluate the proposals. Stanley Aff., ¶5. The Board accepted their advice and instructed Ms. Stanley and the Board chairman to enter into further negotiations with GCI. The AFHCAN employees were present for those negotiations. Bunger Aff., ¶4; CATG Exhibit 14.

In sum, the CATG Board considered both price and quality of customer service. It made the decision deliberately over a period of months and even consulted third parties for their views. As Pat Stanley sums it up, "Essentially, we thought we could get the satellite service we needed and better customer service for less money, which was what GCI offered." Affidavit ¶ 4. On this basis, CATG selected GCI as its service provider. CATG Exhibit 15.

7. Please provide copies of any and all agreements between you and your service provider related to the contract for which you are requesting support. Please indicate whether the agreement between you and your service provider includes the provision of any other services or benefits by the service provider to CATG that are not explicitly included in the 17 page contract and attachments filed with your 2002 Form 466 Funding Request. Please also verify that page 17 of the material, "Managed Internet Access Features" (School Access) was included in error, and that Internet access, email, web hosting, and the other services listed on that page are not bundled with the service offering of this contract.

The contract is attached as CATG Exhibit 16. This is the only agreement between GCI and CATG and is only for the delivery of T-1 circuits. The contract does not include an agreement to provide training or extra equipment and neither have been provided. Cary Affidavit, ¶¶ 5-8; Stanley Affidavit, ¶ 6. Nor does the contract include the management services (CNCC) that were listed as an option in the GCI proposal and no management services have been provided. Cary Affidavit, ¶¶ 9-12. The contract does include internet services which is separately priced but it does not include any other bundled services.

It is clear that some pages were added to the contract in error. As explained by Martin Cary, some appear to be inadvertent. See Cary Affidavit, ¶ 13. The Network Management service pages may have been included in the contract package prior to the final negotiations when CATG decided not to purchase the separate service.

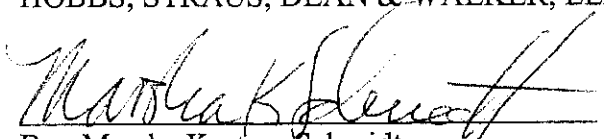
8. Based on conversations with persons at CATG, RHCD understands that Pat Stanley is no longer employed by CATG. If Ms. Stanley's departure from CATG is in any way related to your service provider selection or the services for which you are requesting support, please provide an explanation.

The basis for Ms. Stanley's departure is not a matter that CATG intends to disclose since it is a private matter between employer and employee and we object to this question on the ground that it is beyond the scope of this appeal. Furthermore, CATG has learned that there may be a rumor circulating to the effect that Ms. Stanley's departure was related to the GCI contract process. CATG hopes that the RHCD is not relying on rumor to determine the facts of this case. With that said, without explaining the basis for the Board's decision to hire a new Director, CATG denies that the decision was based in any way on this particular contracting process.

9. Please provide copies of any other documentation that would be helpful in our review of your competitive bidding process, for services for which Universal Support is sought.

We have not identified any material beyond that which is presented here. However, as noted above, if RHCD intends to revise the basis for its denial, we request an opportunity to specifically respond to any new basis for denial of funding.

Sincerely,
HOBBS, STRAUS, DEAN & WALKER, LLP



By: Marsha Kostura Schmidt
Attorney for the Council of Athabascan
Tribal Governments.

cc: Anna Huntington-Kriska, CATG
GCI
Geoffrey Strommer

EXHIBIT LIST

Exhibit 1	Affidavit of Martin Cary, GCI
Exhibit 2	Affidavit of Pat Stanley
Exhibit 3	GCI Proposal
Exhibit 4	ATT/TelAlaska 2001 Proposal
Exhibit 5	ATT FY2002 Proposal
Exhibit 6	RCA Rate Chart
Exhibit 7	Email from RCA to GCI re: Applicable Rate
Exhibit 8	October 18, 2001 Meeting Minutes
Exhibit 9	Audio Tapes of January 17, 2002 Board Meeting
Exhibit 10	Transcript of Tapes – Service Provider Presentations
Exhibit 11	Official Minutes, CATG Board Meeting, January 17, 2002
Exhibit 12	Transcript of January 29, 2002 Teleconference
Exhibit 13	Affidavit of Thomas Bunger
Exhibit 14	Executive Director Narrative Report, January-February 2002
Exhibit 15	Official Minutes, CATG Board Meeting, March 21-22, 2002
Exhibit 16	GCI Contract

AFFIDAVIT OF MARTIN CARY

1. I am Martin Cary and I am Vice President—Broadband Services for GCI. I have prepared this affidavit in consultation with Steve Walker, USF Coordinator; Steve Constantine, Senior Program Manager—Telehealth; Art Behm, Senior Manager, Business Development, and Richard Dunning, Project Manager.

2. The purpose of this affidavit is to address a number of different issues regarding the contract between GCI and the Council of Athabascan Tribal Governments (CATG) for the provision of T-1 Packet Based Satellite Service. CATG posted its Form 465 in August 2001. GCI responded to the posting; AT&T Alascom (AT&T), an interexchange carrier, and TelAlaska, the local phone company, also submitted a joint bid. Both bids were presented to CATG at a open presentation in January, 2002. After considering both bids, CATG selected GCI. GCI and CATG signed a contract in March 2002 for services to begin when the AT&T contact expired in December 2002.

3. In its proposals to the CATG, GCI included training and equipment, worth approximately $225,000 over the five year term, with the T-1 Packet Based Satellite Service circuits. The cost of the T-1 circuits is approximately $1.5 million per year and a total of approximately $7.3 million over the five year term. In the open presentation to CATG in January, 2002, the training and equipment was described as a "donation" to CATG.

4. The T-1 Packet Based Satellite Service circuits were offered and contracted to CATG at our standard retail rate as reflected in our FCC tariff at the time (or in our on-line posted prices after de-tariffing). The training and equipment that was proposed to CATG was comparable in value to the specialized customer care that GCI has offered other large, non-subsidized customers, when required by their needs. To GCI, it is part of good customer service. Given that the circuits were offered and provided to CATG at the standard retail rate, it is clear that we did not inflate the cost of the circuits to cover the training and equipment.

5. GCI's proposal to include training and equipment with the eligible circuits was based on the belief held by some personnel at the time that the rules applicable to the Rural Health Care program permitted the inclusion of ineligible items with eligible services, at least under certain conditions. Under that understanding, those conditions included that the ineligible services be a minor component of the contract and, more importantly, that the value of the ineligible services not be

EXHIBIT 1

considered by the applicant in determining which offer was the most "cost effective" alternative.

6. In this instance, the proposed ineligible training and equipment constitute only 3% of the total value of the contract over five years. Furthermore, during the January 2002 open presentation to CATG in front of competing providers, GCI's representative went to great lengths to explain that the ineligible items needed to be explicit, needed to be disclosed to all parties including RHCD, and that the ineligible component should not be considered by CATG when choosing the most cost effective alternative. (See transcript, pp. 9, 12, 31)

7. Notwithstanding the above, GCI later became concerned that inclusion of the ineligible training and equipment might not be allowed under the Rural Health Care program rules. For that reason, inclusion of the training and equipment was withdrawn and no such training and equipment has been donated to CATG. No ineligible items have been provided as part of the T-1 circuits. The only ineligible item, Internet service, is priced and sold separately.

8. GCI is still willing to provide the training and equipment to CATG but GCI will not do so until and unless RHCD clarifies that this is allowed under program rules.

9. Another issue that may be raised by our proposal concerns our Network Management Service provided by our Customer Network Control Center. This service goes beyond our normal network monitoring, as explained below.

10. The point of demarcation between GCI's circuits and the customer's equipment for Packet Based Satellite Service is a router. The router is essential to GCI's efficient provision of the packet based service, and the router is owned by GCI. Monitoring of our own network up to the router to ensure that our circuits are operating as promised to the customer is part of our normal customer service that goes with all Packet Based Satellite circuits.

11. The Network Management Service goes further than our normal monitoring. Network Management Service includes management of customer equipment beyond the router. The Network Management Service is always priced and sold separately from the circuits.

12. CATG chose not to purchase Network Management Service and Network Management Service has never been provided to CATG. The contract between GCI and CATG shows no cost for this service because CATG elected not to take this service, not because it is provided for free.

13. I am not certain why the description of Network Management Service is attached to the contract with CATG. It was an inadvertent error in putting the contract packet together (similar to inclusion of irrelevant pages regarding School Access). I can only guess that the contract packet was put together before we knew that CATG would not purchase the Network Management Service and no one removed the pages later. But, as I said before, CATG did not purchase the service and it has not been provided.

14. On another topic, GCI's competitors alleged during presentations that GCI's Packet Based Satellite Service is inferior to a dedicated circuit. GCI is very proud of its Packet Based Satellite Service, which enables the delivery of service at a lower cost and therefore a savings (lower subsidy) to RHCD/USAC. While I wont go into a full technological explanation of the benefits of this technology, one point is worth noting. Under the RHC program, the state utility commission assists RHCD by determining the comparable urban rate. In order to make that determination, and because urban services are not delivered over satellite, it was necessary to determine what urban service is comparable to the Packet Based Satellite Service. The Regulatory Commission of Alaska staff determined that T-1 Frame Relay Service is the appropriate urban service comparable to Packet Based Satellite Service.

15. The final issues that I want to address all derive from a single underlying fact. Until August of 2003, GCI was legally prohibited from building satellite earth stations to provide general "message telephone service" (MTS) in most of rural Alaska. (See Report and Order, In the Matter of Policy for Licensing Domestic Satellite Earth Stations in the Bush Communities of Alaska, IB Docket No. 02-30, RM No. 72-46 (Rel. August 12, 2003)). As a result, GCI did not have necessary facilities in most of the villages where the health clinics eligible for the Rural Health Care program are located. AT&T was the only carrier with facilities already installed capable of serving the health clinics.

16. There are several consequences of this situation. First, GCI has to build new facilities when it contracts to provide service to rural health clinics such as CATG. The time required to build such facilities is long compared to "Lower 48"

standards because of the difficulties of construction in rural Alaska villages, described at length below. Unless the Rural Health Care programs rules allow GCI sufficient time to build facilities after a contract is signed, competitive bidding for services would be a sham and only the provider with existing facilities, AT&T, would be able to provide the subsidized services. Given that competitive bidding is one cornerstone of the eligibility requirements for the Rural Health Care program, that would not be an appropriate result.

17. In this instance, GCI had to build satellite earth stations facilities in 9 different villages. Because of the timing of the bid acceptance and the funding year dates, it was not possible to begin service before the end of the FY 2001 fiscal (funding) year (June 2002).

18. Most of the CATG villages are above the Arctic Circle. There is a short window for construction in these areas, approximately May through October in most years. In order to build the necessary infrastructure in the short construction season, all of the materials and construction equipment must be in place. The communications equipment must be ordered, pre-assembled to the extent possible, and shipped to the villages. Because there are no roads to any of these villages, all supplies and equipment must be brought in by air or by barge when the rivers are not frozen. This requires a high level of coordination and logistical planning to purchase and then ship materials, structures, and supplies to the building site, resulting in a lead time of 6 to 9 months before construction can begin. Even though the construction season begins in May, in this case there was no possibility of getting supplies and equipment to the area by then.

19. After the contract was signed in March, GCI began ordering equipment and taking proposals for construction of the earth stations. It quickly became evident that a critical issue was getting all of the equipment on the last barge into the area, in August (five months after contract signing). Attached is the initial timeline proposed by our contractor, UIC, and the barge schedule. (Exhibits 1 and 2) Also attached is a project timeline prepared by GCI at the beginning of the project. (Exhibit 3) It was forecast that we would be able to turn on service by November 2002, but we ran into unexpected glitches described below that caused a few delays.

20. To construct an earth station we first need to identify and prepare sites that are appropriate for the facility, a 40 x 40 pad on stable ground that allows us to point the dish at the satellite. Once sites are identified we have to determine who owns

the site and negotiate a lease. Most land in Alaska is owned by state or federal government or by one of many different native organizations, with the ownership often unclear, which can complicate leasing. For the CATG contract, this had to be done in nine villages. The siting of the pads went smoothly except for the villages of Beaver and Fort Yukon where we experienced significant delays in site selection and leasing. This resulted in construction issues since the ground had frozen by the time construction started. The site selection problems also affected our ability to timely obtain FCC licenses for the earth stations.

21. Once the site is selected and leased the construction company comes in to build the facility. The construction company is not willing to commit to a construction schedule until the site is finally leased. The construction team has to be flown in and temporary "housing"-- tents -- for the workers must be erected in some villages. In some instances, the construction equipment such as earth movers have to flown in on a C-30 or brought in by barge.

22. Attached are two "strings" of internal e-mails, representative of many others, that illustrate the points discussed above. The first string illustrates the difficulties in lease acquisition and, furthermore, mentions that some materials had to be sent by air transport. (Exhibit 4) The second mentions that the proposed lease with the State Department of Transportation and Public Facilities in Beaver had been denied, requiring both identification of a new site and amendment of the license application at the FCC. (Exhibit 5)

23. The construction proceeds in steps. Because of permafrost, the pads need to be stabilized and an equipment structure installed. Whenever possible, the shelters are constructed and outfitted ahead of time and placed on a barge to each village to be completed with electronics when placed on the site. The shelters began arriving by barge about August of 2002. As explained, making the barge is essential to construction in rural Alaska. When working on the CATG project, we had to ship the shelters for the villages of Rampart, Stevens and Beaver before they were completely fitted in order to get them on the last barge of the season.

24. We also faced significant issues regarding electric power in some villages. The electric utilities in many villages in rural Alaska are not comparable to large utilities elsewhere. For example, in Fort Yukon, we had to supply transformers in order to gain adequate service. In the village of Birch Creek we had to ship telephone poles and in three villages we had to hire electricians to run wires. This part of the construction was also impacted by the weather.

25. We have attached a revised project management chart that was generated near the end of the project. (Exhibit 6) This chart demonstrates another aspect of this rural construction project. For each phase of the construction, there are a limited number of crews available; the crews complete work in one village and then move on to another. This attachment shows the crews moving from village to village for the near-final communications equipment installation and testing. The service was actually turned on in phases between January and February 2003.

26. The second consequence of the fact that GCI did not have facilities and had not previously provided service in the villages served by CATG is that the competitive bidding presentations had unusual twists. TelAlaska/AT&T—who have been providing service for many years as the local phone company and the only long distance company—tried to paint GCI as the inexperienced newcomer who CATG did not know and could not trust, while GCI countered with lots of general information about its overall statewide services and corporate successes.

27. Similarly, the possibility of competitive provision of other communications services, although taken for granted elsewhere in the nation, was new to the villages in the Ft. Yukon region, even for long distance service. The villagers in the area were very interested in other services they might be able to get if GCI built facilities. These were brought up several times by villagers at the presentation of bids. One of the services that interested the villagers was Internet service. Months earlier, GCI had committed to Alaska Senator Ted Stevens, and made a public commitment, to provide public Internet service in all locations where it has other facilities. Thus, based on that commitment made months earlier, the CATG villages would be part of the commitment after GCI installed facilities. GCI always realized that the potential availability of these other services could not and should not be considered by CATG when it selected the most cost effective bidder for its clinics. GCI's representatives at the bid presentations made this clear and directed discussion of such other services outside of the bidding context. (See transcript, p. 13, 16)

28. Finally, and perhaps most importantly, after all is said and done, the most important points in this matter seems to be that CATG conducted an open bidding process, GCI was in fact the lowest bidder, CATG selected the most cost effective bidder, and GCI installed service as quickly as reasonably possible.

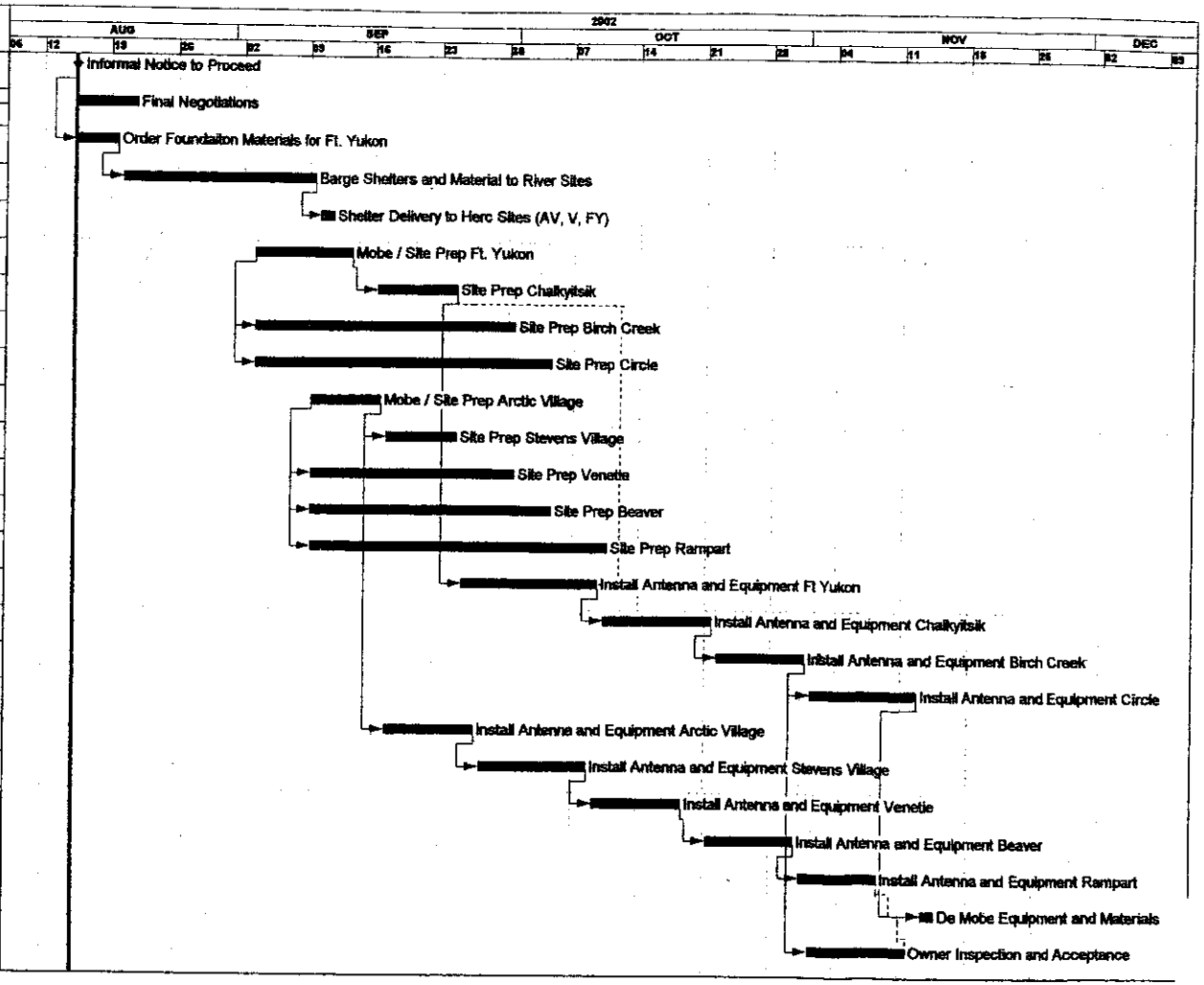
DATED this 22nd day of October, 2003, at Anchorage, Alaska.

Martin Cary

SUBSCRIBED AND SWORN or affirmed to before me this 22 day of October, 2003, at Anchorage, Alaska.

Notary Public in and for Alaska
My commission expires: 11-26-06

Act ID	Description UIC	Orig Dur	Early Start	Early Finish
1000	Informal Notice to Proceed	0	15AUG02	
1010	Final Negotiations	5d	15AUG02	~~21AUG02~~ 9/9
	Order Foundaiton Materials for Ft. Yukon	3d	15AUG02	19AUG02
1030	Barge Shelters and Material to River Sites	15d	20AUG02	09SEP02
1040	Shelter Delivery to Herc Sites (AV, V, FY)	2d	10SEP02	11SEP02
1050	Mobe / Site Prep Ft. Yukon	9d	~~09SEP02~~ * 11SEP	13SEP02
1060	Site Prep Chalkyitsik	7d	16SEP02	24SEP02
1070	Site Prep Birch Creek	20d	03SEP02	30SEP02
1080	Site Prep Circle	24d	03SEP02	04OCT02
1090	Mobe / Site Prep Arctic Village	6d	~~09SEP02~~ * 11SEP	16SEP02
1100	Site Prep Stevens Village	6d	17SEP02	24SEP02
1110	Site Prep Venetie	16d	09SEP02	30SEP02
1120	Site Prep Beaver	20d	09SEP02	04OCT02
1130	Site Prep Rampart	24d	09SEP02	10OCT02
1140	Install Antenna and Equipment Ft Yukon	11d	25SEP02	09OCT02
1150	Install Antenna and Equipment Chalkyitsik	8d	10OCT02	21OCT02
1160	Install Antenna and Equipment Birch Creek	8d	22OCT02	31OCT02
1170	Install Antenna and Equipment Circle	8d	01NOV02	12NOV02
11	Install Antenna and Equipment Arctic Village	8d	17SEP02	26SEP02
1190	Install Antenna and Equipment Stevens Village	8d	27SEP02	08OCT02
1200	Install Antenna and Equipment Venetie	8d	09OCT02	18OCT02
1210	Install Antenna and Equipment Beaver	8d	21OCT02	30OCT02
1220	Install Antenna and Equipment Rampart	7d	31OCT02	08NOV02
1230	De Mobe Equipment and Materials	2d	13NOV02	14NOV02
1240	Owner Inspection and Acceptance	7d	01NOV02	11NOV02



Start date	15AUG02
Finish date	14NOV02
Data date	15AUG02
Run date	29AUG02
Page number	1A
© Primavera Systems, Inc.	

FORMAL NTP?

GCI Telemedicine Antenna Install
UIC Construction LLC

SUPER #1 UIC
SUPER #2 UIC

Early bar
Progress bar
Critical bar
Summary bar
Start milestone point
Finish milestone point

Exhibit 1

Northland Services
MARINE TRANSPORTATION

2002

SAILING SCHEDULE TO YUKON RIVER VILLAGES

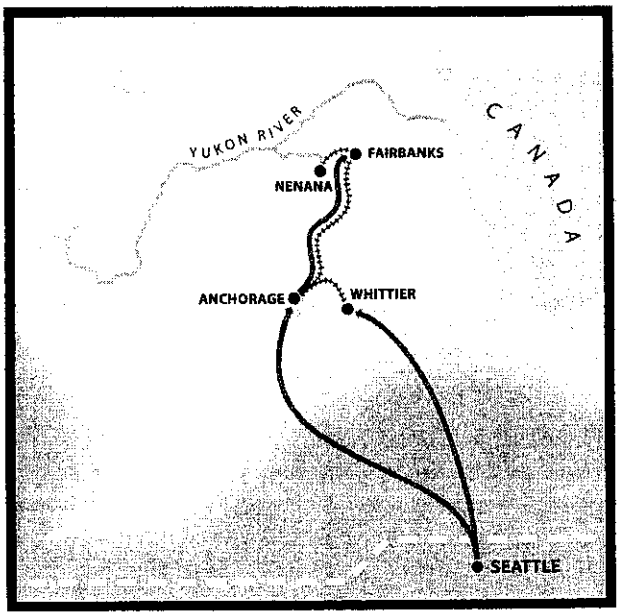
Seattle Deadline	Apr 30	Apr 29	Jun 03	Jun 24	Jul 08	Jul 29	Aug 05
Seattle Departure	May 01	May 03	Jun 05	Jun 26	Jul 10	Jul 31	Aug 07
Anchorage Deadline	May 10	May 10	Jun 15	Jul 08	Jul 20	Aug 10	Aug 17
Village	0219	2003	0224	0227	0229	0232	0233
Alakanuk		•	•	•	•		•
Anvik	•		•	•	•		•
Beaver	•					•	
Emmonak		•	•	•	•		•
Ft. Yukon	•					•	
Galena	•		•	•	•	•	•
Grayling	•		•	•	•		•
Holy Cross	•		•	•	•		•
Huslia	•						•
Kaltag	•		•	•	•	•	•
Kotlik		•	•	•	•		•
Koyukuk	•		•	•	•	•	•
Marshall		•	•	•	•		•
Mt. Village		•	•	•	•		•
Nulato	•		•	•	•	•	•
Nunam Iqua		•	•	•	•		
Pilot Station		•	•	•	•		•
Rampart	•					•	
Ruby	•		•	•	•	•	•
Russian Mission	•		•	•	•		•
St. Mary's		•	•	•	•		•
Shageluk	•				•		
Stevens Village	•					•	
Tanana	•		•	•	•	•	

**May not be serviced directly on all voyages. Call for more information.

FREIGHT RECEIVING YARDS:

SEATTLE:
Northland Services
6700 W. Marginal Way SW
Seattle, WA 98108

ANCHORAGE:
Northland Services
660 Western Drive
Anchorage, AK 99501
Phone (907) 276-4030
Fax (907) 276-8733



FOR MORE INFORMATION AND RATES:

Northland Services
MARINE TRANSPORTATION

Northland Services, Inc.
PO Box 24527
Seattle, WA 98124
1-800-426-3113
www.northlandservices.com

Yutana Services
7941 Sandlewood Place, Ste. 100
Anchorage, AK 99507
1-800-478-5509

Yukon River Schedule
2002
Yutana Services 1-800-478-5509

7941 Sandlewood Place Anchorage, AK. 99507

Nenana Receiving Deadline	Nenana Departure Date	Upper Yukon	Middle Yukon	Koyukuk River	Innoko River	Lower Yukon
		PORTS OF CALL				
May 16	May 21		■			
May 23	May 28		■			
Jun 01	Jun 06	■				
Jun 03	Jun 08				■	■
Jun 10	Jun 15			■		
June 19	Jun 24		■			
Jun 25	July 03					■
July 05	July 10		■			
July 11	July 16					■
July 15	July 20		■			
July 24	July 29		■			
Jul 25	Aug 01				■ Last Shageluk	■ Last Nunam Iqua
Aug 04	Aug 09		■			
Aug 13	AUG 18		■			
Aug 20	Aug 24	■				
Aug 20	Aug 30		■			
Aug 25	Sep 01		■		No Shageluk	■ No Nunam Iqua
Aug 25	Sep 08			■		

Upper Yukon
Beaver
Ft Yukon
Rampart
Stevens Village
Tanana

Innoko River
Shageluk
Jun 08 & Aug 01
Sailings Only

Middle Yukon
Galena
Ruby
Tanana
Nulato
Kaltag
Koyukuk
Tanana

Koyukuk River
Huslia

Lower Yukon
Alakanuk
Anvik
Emmonak
Grayling
Kotlik
Marshall
Mt. Village
Nunam Iqua - Jun 08 & Aug 01
(Sheldon Pt.) Sailings Only
Pilot Station
Russian Mission
St. Mary's
Holy Cross

Note: Freight cut off for the main Yukon River = Aug. 25, 2002.
Freight cut off for the Upper Yukon will be Aug. 20, 2002.

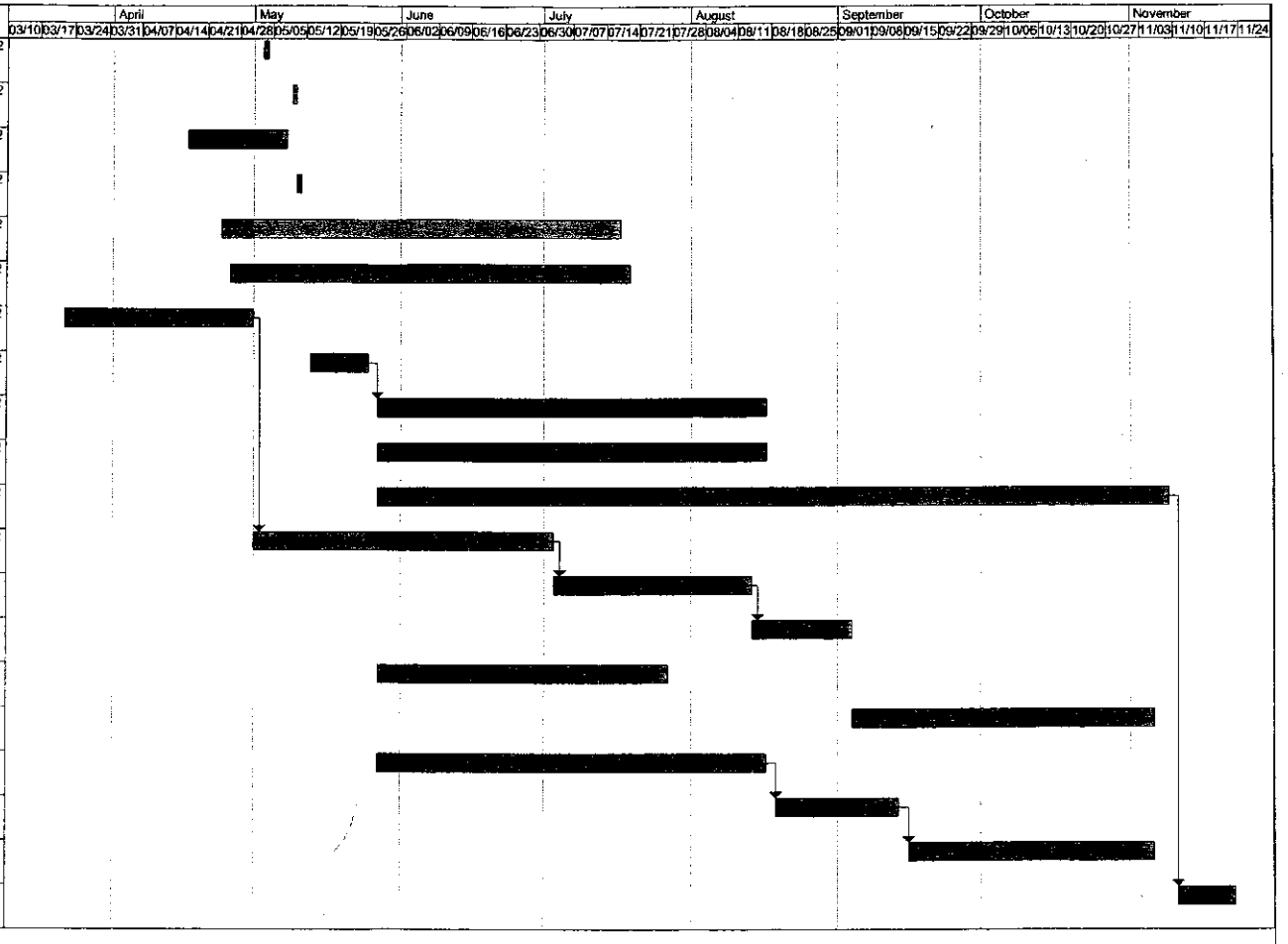
= Service to that region

Freight Receiving Yard - 410 Riverfront St. Nenana
Yutana Barge Lines LLC Nenana Dock
Nenana, AK 99760
907-832-5505
FAX 907-832-5282
Traffic fax: 907-832-5553

Freight should be limited to 24,000 lifts.
Deliveries to Russian Mission, Stevens Village, Beaver, and Rampart are usually done on return trip after servicing Upper/Lower River villages due to draft restrictions.
Deliveries to various villages may be restricted by delivery to specifc sites in these villages or may be dropped at locations the Master deems is safe / practical for the cargo, offloading crew, and machinery.
Deliveries made where no improved landing or regular maintenance to said landing is not available will be entirely up to the the Master of the Vessel as to how, where, and if the delivery will be made.
All Pitkas Point Freight is delivered to the St. Marys Dock and dock fees may be due the City of St Marys.
All freight delivered to high water mark unless prior araingement has been approved by YBL Operations
Deliveries in near coastal villages are subject to weather , tidal, and water level conditions (Emmonak, Alakanuk, Nunam Iqua, Kotlik)
Nunam Iqua is restricted to 2 deliveries /year, on inducement, and may be be keyed on fuel deliveries to that village.
Some Villages are done on inducement due to specific location and operational costs of deliveries as follows: Holy Cross, Anvik, Kaltag, Nulato, Koyukuk, Huslia, Shageluk, Stevens Village, Beaver, Rampart, Fort Yukon, and Nunam Iqua.
Please call the YBL Traffic Department for up to date dispatch plans or changes that may effect your shipments.

HOOP

ID	Task Name	Duration	Start	Finish
1	Project assigned	1 day	Fri 05/03/02	Fri 05/03/02
2	Buisness case meeting	1 day	Thu 05/09/02	Thu 05/09/02
3	PO for Pre-Construction Services	15 days	Wed 04/17/02	Tue 05/07/02
4	Services kickoff meeting	1 day	Fri 05/10/02	Fri 05/10/02
5	Antenna equipment purchase and ship	60 days	Wed 04/24/02	Tue 07/16/02
6	electronic equip purchase and ship	60 days	Fri 04/26/02	Thu 07/18/02
7	Shelter bidding	28 days	Fri 03/22/02	Tue 04/30/02
8	Site survey	10 days	Mon 05/13/02	Fri 05/24/02
9	AC power orders	60 days	Mon 05/27/02	Fri 08/16/02
10	Circuit orders -LEC	60 days	Mon 05/27/02	Fri 08/16/02
11	Licensing application	120 days	Mon 05/27/02	Fri 11/08/02
12	Shelter construction	45 days	Wed 05/01/02	Tue 07/02/02
13	Shelter rack and equip install	30 days	Wed 07/03/02	Tue 08/13/02
14	Shelter and antenna shipping	15 days	Wed 08/14/02	Tue 09/03/02
15	site design- remote sites	45 days	Mon 05/27/02	Fri 07/26/02
16	field install - remote sites	45 days	Wed 09/04/02	Tue 11/05/02
17	site design - 9m hub	60 days	Mon 05/27/02	Fri 08/16/02
18	Foundation install - 9m antenna	20 days	Mon 08/19/02	Fri 09/13/02
19	Field installation - 9m hub	37 days	Mon 09/16/02	Tue 11/05/02
20	Comissioning	10 days	Mon 11/11/02	Fri 11/22/02



Project: CATG schedule
Date: Wed 10/15/03

Task | Progress | Summary | External Tasks | Deadline
Split | Milestone | Project Summary | External Milestone

xhibit 3

From: Carolyn Lima
Sent: Tuesday, September 17, 2002 2:46 PM
To: Richard Dunning
Cc: Dan Boyette; 'Peter Johanknecht (E-mail)'
Subject: RE: CATG - Request for Items

Rich:

Chalkyitsik and Birch Creek
Leases signed
Birch Creek - contact Winston James
Chalkytsik - contact James Nathanial, Jr.

Venetie & Arctic Village
We were initially working with the wrong folks in Venetie and Arctic Village. It's not the councils but the tribal governement. They have the leases and are reviewing them and should be back in a couple of days.
Donna Erick is the tribal administrator that I have been working with. I am trying to find out from Donna who she wants us to work with in each village.

Rampart
Rampart should also have a signed lease for us. I have left several message to get this back in our hands.
I have been working with Gary Moore.

Circle
Circle has been waiting for their 1st chief to arrive back in town. I have been working with Sonja Fields.

Beaver
Submitted application to the SOA DOT on 9/13/02. Village council did not want to lease land afterall. There will be a 30 public hearing process after the application is accepted.

Fort Yukon
No lease back from them yet.

Stevens Village
Stevens Village was to be signed, but I spoke with Randy Mayo today and the council has decided they want more information on the project. I'm tracking this and will get him the information he is looking for. Once he has a project breifing Randy indicated that the 1st Chief does have authority to sign the lease without a council meeting. The council was also a bit concerned about the lease amount (too low), but after finding out that average rental value on an acre is $650.00 per month, we aren't out of line.

That's all 9 villages. I'll keep updating you as I have more information.

Both Chalkyitsik and Birch Creek know that the project is starting and they'll see folks as early as tomorrow. Do you know how many folks will be in each location? Is there anything else you need help with? I understand that accomodations are being taken care of by UIC. If other arrangements need to be made please let me know. This is always one concern with the villages. Also, I have folks asking how long the crews will be in town. Do you know?

Final question - Can I get a schedule update so while I'm talking to these other villages I can tell them when they might expect a crew to arrive?

Thanks,

Carolyn

-----Original Message-----
From: Richard Dunning
Sent: Tuesday, September 17, 2002 9:45 AM
To: Carolyn Lima
Cc: Dan Boyette; Peter Johanknecht (E-mail)
Subject: CATG - Request for Items

Carolyn

Can you provide items 6 and 7 from the list below?

UIC is starting to work in the field at the CATG sites and would like to have paperwork in hand that allows them to cut trees, move dirt, etc. The person that singed the lease will help them with a local contact.

Can UIC start with clearing and grubbing in Ft Yukon?

Thanks Rich

-----Original Message-----
From: Peter Johanknecht [mailto:PeterJ@ukpik.com]
Sent: Monday, September 16, 2002 3:46 PM
To: 'Dan Boyette - GCI'
Cc: 'Rich Dunning - GCI'
Subject: Request for Items

Dan,

Just a reminder of items that we need your assistance with:

1) Keys to the modules.
2) Locks and keys for the fences.
3) Module Drawings / Site Layout for Ft. Yukon.
4) Module Drawings for 3.6 M sites.
5) Schedule for Scientific Atlanta Technician.
6) Lease agreements for each of the sites.
7) Contact with whom the lease agreement was arranged.
8) Completion / Delivery schedule for the balance of the modules.
9) Inventory list for the 9.0 M site.
10) Final site locations for Ft. Yukon and Beaver.
11) Final horizontal and vertical azimuth settings for all sites.

For your information UIC picked up the timbers and gravel sacks for each of the 3.6 M sites. We transported them to Fairbanks for delivery. When we visited GCI warehouse Jeff mentioned that they had not been delivered via Herc so we are sending the materials on our air transport.

Your expedited response would be appreciated.

Regards,

Peter Johanknecht
(907) 762-0117
(907) 762-0131
peterj@ukpik.com

From: Dan Boyette
Sent: Monday, October 07, 2002 8:51 AM
To: Andy Rzeszut; 'peterj@ukpik.com'; Richard Dunning; Rock Moreland; Steve Constantine; Art Behm
Cc: Patty Coleman; Patrick Goodyear; Jim Breslin - TPC
Subject: RE:

I went there last week and located a new site. Distance from old site is much more that 40' and I have already informed Pat Goodyear and Jennifer Robertson.

New coordinates are:

Lat 66 21 34.5
Long 147 24 45.5

WGS 84

-----Original Message-----
From: Andy Rzeszut
Sent: Friday, September 20, 2002 8:28 AM
To: Dan Boyette; 'peterj@ukpik.com'; Richard Dunning; Rock Moreland; Steve Constantine; Art Behm
Cc: Patty Coleman; Patrick Goodyear; Jim Breslin - TPC
Subject: RE:

Dan/Rich:

Please remember that if the geographic location of any CATG earth station has changed by more than approximately 40 feet (one second at the Latitude of these earth stations), then GCI will have to file a license modification with the FCC.

Andy

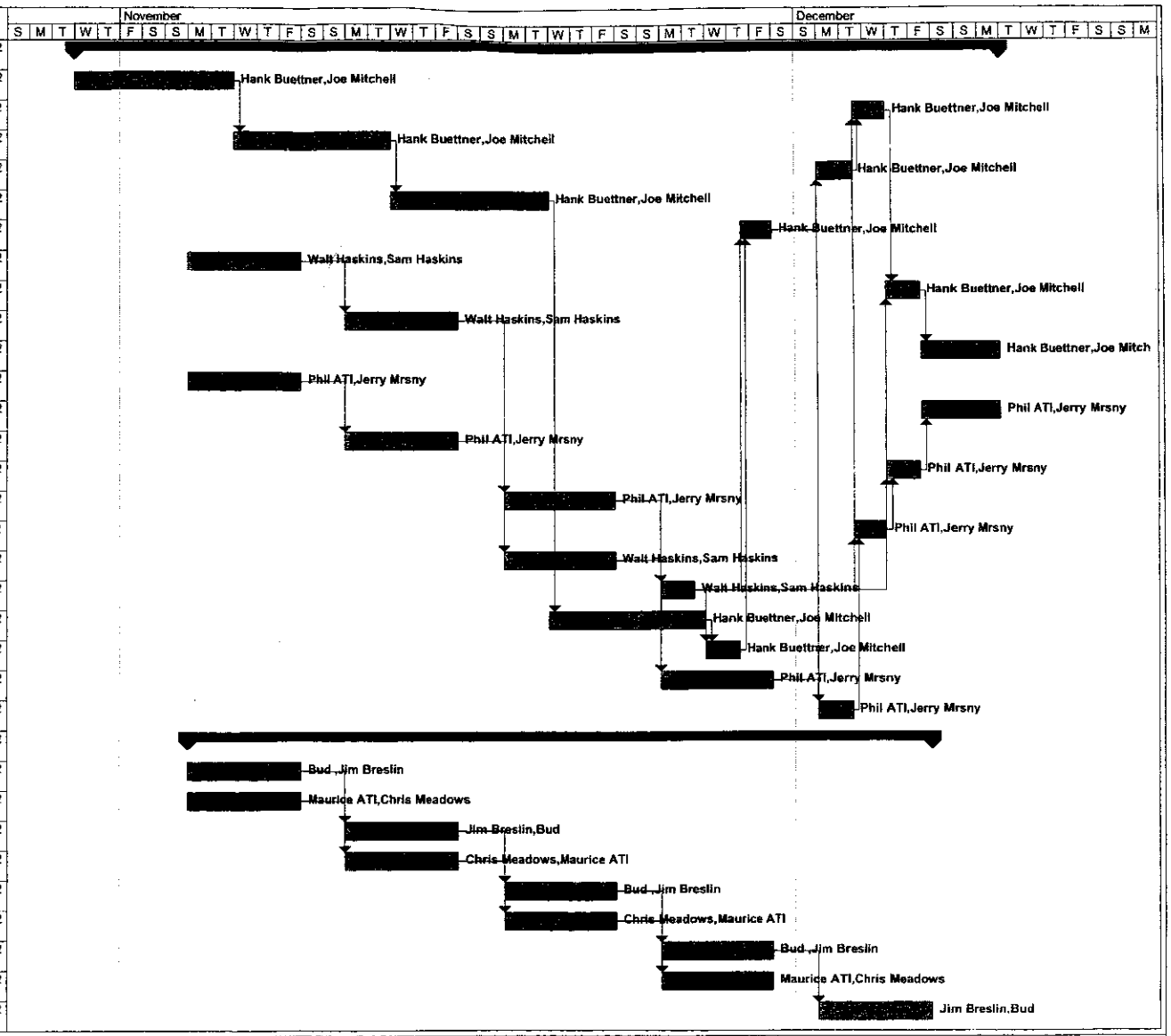
-----Original Message-----
From: Dan Boyette
Sent: Friday, September 20, 2002 8:13 AM
To: 'peterj@ukpik.com'; Richard Dunning; Rock Moreland; Steve Constantine; Art Behm
Cc: Andy Rzeszut; Patty Coleman
Subject:

Beaver land lease application with the State of Ak, DOTPF has been denied.

I'll continue to pursue a site but expect delays as it just got more complicated.
Beaver land lease application with the State of Ak, DOTPF has been denied.

I'll continue to pursue a site but expect delays as it just got more complicated.

	Task Name	Duration	Start	Finish
1	**System 5 Shelter Integration**	**29 days**	**Wed 10/30/02**	**Mon 12/09/02**
2	PS4 Equipment Installation	5 days	Wed 10/30/02	Tue 11/05/02
3	PS4 Turn Up and Test	1.5 days	Tue 12/03/02	Wed 12/04/02
4	PS3 Equipment Installation	5 days	Wed 11/06/02	Tue 11/12/02
5	PS3 Turn Up and Test	1.5 days	Mon 12/02/02	Tue 12/03/02
6	PS1 Equipment Installation	5 days	Wed 11/13/02	Tue 11/19/02
7	PS 1 Turn Up and Test	1.5 days	Thu 11/28/02	Fri 11/29/02
8	PS11 Equipment Installation	5 days	Mon 11/04/02	Fri 11/08/02
9	PS11 Turn Up and Test	1.5 days	Thu 12/05/02	Fri 12/06/02
10	PS12 Equipment Installation	5 days	Mon 11/11/02	Fri 11/15/02
11	PS12 Turn Up and Test	1.5 days	Fri 12/06/02	Mon 12/09/02
12	PS5 Equipment Installation	5 days	Mon 11/04/02	Fri 11/08/02
13	PS5 Turn Up and Test	1.5 days	Fri 12/06/02	Mon 12/09/02
14	PS6 Equipment Installation	5 days	Mon 11/11/02	Fri 11/15/02
15	PS6 Turn Up and Test	1.5 days	Thu 12/05/02	Fri 12/06/02
16	PS7 Equipment Installation	5 days	Mon 11/18/02	Fri 11/22/02
17	PS7 Turn Up and Test	1.5 days	Tue 12/03/02	Wed 12/04/02
18	VMT Equipment Installation	5 days	Mon 11/18/02	Fri 11/22/02
19	VMT Turn Up and Test	1.5 days	Mon 11/25/02	Tue 11/26/02
20	PS9 Equipment Installation	5 days	Wed 11/20/02	Tue 11/26/02
21	PS9 Turn Up and Test	1.5 days	Wed 11/27/02	Thu 11/28/02
22	PS10 Equipment Installation	5 days	Mon 11/25/02	Fri 11/29/02
23	PS10 Turn Up and Test	1.5 days	Mon 12/02/02	Tue 12/03/02
24	**CATG Shelter Integration**	**25 days**	**Mon 11/04/02**	**Fri 12/06/02**
25	Circle Turn Up	5 days	Mon 11/04/02	Fri 11/08/02
26	Arctic Village Turn Up	5 days	Mon 11/04/02	Fri 11/08/02
27	Chalkyitsik Turn Up	5 days	Mon 11/11/02	Fri 11/15/02
28	Venetie Turn Up	5 days	Mon 11/11/02	Fri 11/15/02
29	Birch Creek Turn Up	5 days	Mon 11/18/02	Fri 11/22/02
30	Stevens Village Turn Up	5 days	Mon 11/18/02	Fri 11/22/02
31	Beaver Turn Up	5 days	Mon 11/25/02	Fri 11/29/02
32	Rampart Turn Up	5 days	Mon 11/25/02	Fri 11/29/02
33	Fort Yukon Turn Up	5 days	Mon 12/02/02	Fri 12/06/02



Project: 10_28_02 Sys 5 and CATG F
Date: Wed 10/15/03

Task | Progress | Summary | External Tasks | Deadline
Split | Milestone | Project Summary | External Milestone

Affidavit of Patricia Stanley

1. I am Patricia Stanley, the former Executive Director of the Council of Athabascan Tribal Governments (CATG). I live in Fort Yukon, Alaska. I have been asked to provide information regarding the events surrounding the bid process in the selection of GCI to provide an up graded telemedicine network for CATG. I was Executive Director of CATG at that time.

2. In mid-2001, CATG began to consider what to do after the ATT contract was set to expire in December, 2002. CATG wanted to upgrade its health services to take advantage of various new telemedicine technologies to connect its rural village clinics with the Alaska Native Medical Center and doctors to increase access to services for its Alaska Native population. We posted a 465 in August of 2001 regarding this service. GCI responded to that notice in October and asked if they could make a presentation to us regarding their broad range of services and experience. The presentation was given on October 18, 2001. After that presentation, the Board did not make any decision to contract with GCI.

3. ATT Alascom and TelAlaska, our providers at that time, also wanted to make a joint presentation and said that TelAlaska would take the lead. In January 2002, we invited both companies to make full and formal presentations of their best offers to the CATG Board. At the January 17, 2002 Board meeting, the Board heard representatives from both GCI and ATT/Alascom and TelAlaska. ATT and TelAlaska each had a salesman present but made a joint presentation. At some time after this meeting an ATT representative, Maryann Flowers requested an opportunity for ATT to make a separate presentation. I declined since ATT had previously told me that TelAlaska was going to do the presentation and the ATT representative did participate in their joint presentation in January.

4. I have been asked to describe the factors that CATG considered in assessing the bids of both companies. Price was the most important factor and the GCI monthly cost was less than ATT/Alascom and TelAlaska. In addition, it meant a lot that GCI's presentation was positive and that the company appeared committed to supporting telehealth in Alaska. Quality of service was another factor. GCI had experience with other villages in Alaska. We visited another tribal health provider served by GCI and spoke with the locals. They were very satisfied with GCI. GCI also has a person dedicated to telehealth issues and it has a 24/7 customer support policy. That was particularly important since it was sometimes frustrating to work with ATT/Alascom and TelAlaska. ATT did not have 24/7 troubleshooting and we did not feel that the technical expertise was always available. Essentially, we thought we could get the satellite service we needed and better customer service for less money, which was what GCI offered. During the January presentations the GCI representatives made it clear that there were certain factors that CATG could not consider when assessing the bids. The Board understood and followed the advice that certain services and equipment that had been mentioned in October could not be weighed in the assessment of the bids. In fact during the formal presentation, GCI

EXHIBIT 2

representatives made it clear that there were certain issues that they could not even discuss before the Board.

5. After the January 17 presentation, the Board decided to seek a neutral third party to assess the bids since much of the presentation went to technical issues. CATG sent both proposals to the Alaska Federal Health Care Access Network (AFHCAN) for review. AFHCAN employees volunteered to assist CATG. The AFHCAN employees provided a technical explanation and evaluation of the two proposals and recommended that if CATG intended to select GCI that it ask for certain guarantees for bandwidth. The AFHCAN employees also pointed out that the offer of technical support by GCI was significant and had not been met by ATT/Alascom and TelAlaska. The Board considered the information given by the employees and instructed me and the Board Chairman to pursue negotiations with GCI to obtain guarantees regarding bandwidth availability.

6. Representatives of CATG met with GCI to negotiate the contract language with the help of the AFHCAN employees. GCI provided certain guarantees that were satisfactory to both sides. Once the negotiations were concluded, the Board decided to enter into a contract with GCI. The contract did not include any extra services or equipment. The contract was entered into in March 2002 for services to begin after the ATT contract terminated in December 2002.

7. We understood that when we entered into the contract that GCI needed significant lead time to construct the infrastructure to provide service. Given that ATT's contract was going to expire in December 2002, CATG thought it was prudent to seek bids for this new service early enough to accommodate whatever construction had to be done by either company.

I hereby swear under penalty of perjury that the foregoing is true to the best of my belief and knowledge.

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Dated: October 15, 2003

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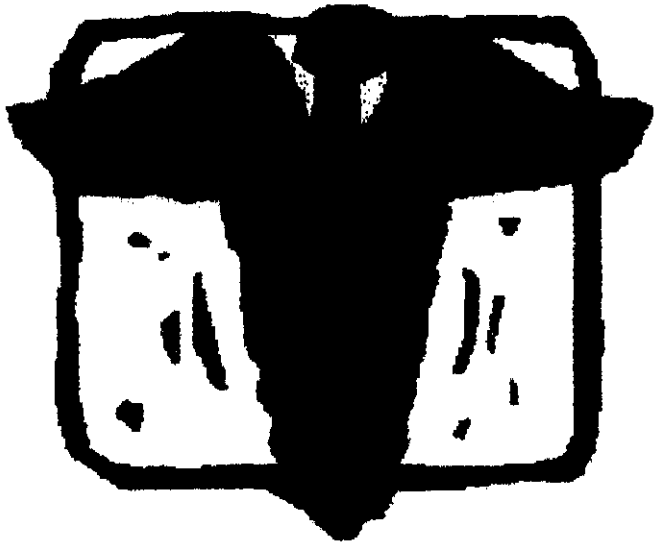
EXHIBIT 2

A Proposal For

Council of Athabascan Tribal Governments



October 2001

Prepared exclusively for you by

EXHIBIT 3

Council of Athabascan Tribal Governments

Proposal

The contents of this proposal are considered to be GCI proprietary data and are provided for the exclusive use of the CATG for its evaluative purpose. The proposal contents may not be disclosed or reproduced without the advance, specific written permission of GCI.

This proposal does not in itself constitute a contract. State and federal tariffs govern certain services proposed. We will provide you copies of the governing tariffs, at any time, upon your request.

Information in this proposal are good for 30 days or until any applicable governing tariffs for the service(s) contained herein are updated, whichever occurs first.

The corporate and specific product names, trade marks, service marks, icons and trade identifications of GCI and other companies that may be noted in this proposal should be considered proprietary to the appropriate company (ies).

GCI has no individual working on this proposal with any conflict of interest issues specifically relating to this proposal.

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Council of Athabascan Tribal Governments
Proposal

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- Customer Guide for Trouble Reporting
- Pricing
- Attachments

October 12, 2001

Patricia Stanley
Executive Director
Council of Athabascan Tribal Governments
PO Box 33
Fort Yukon, AK 99740

Re: Integrated Voice/Data Digital Satellite Network

Dear Ms. Stanley:

This is GCI's response to the 465 posting for the Council of Athabascan Tribal Governments (CATG) Telemedicine Wide Area Network, GCI has prepared the following Private Network proposal for your review and approval.

When approved by the Federal Government this Private Network will:

- Provide an accountable, turnkey solution from your telecommunications vendor
- Digitally connect each village clinic to your Fairbanks facilities with GCI's new packet data platform
- Efficiently accommodate all the applications of digital medicine
- Exceed all AFHCAN technical requirements
- Meet the needs of high bandwidth applications like video conferencing
- Provide a platform that will reduce telephone and voice related costs you now incur between sites
- Provide a reliable effective service for years to come

The use of digital medicine via distance over data lines is an important step in improving the speed and accuracy of healthcare in your region. The success of "Digital Medicine" depends on the careful review of how processes change when your clinical staff uses it, the evaluation of those changes and their effect on workflow by your clinical staff.

GCI has prepared the following design and proposal for a successful long-term network for CATG.

We appreciate the opportunity to provide the CATG with this proposal and believe that it meets your requirements and offers a cost-effective solution for your connectivity requirements. If you have any specific questions please contact me at (907) 265-5373 at your convenience.

Respectfully,

Arthur M. Behm
Senior Manager
Broadband Services