

April 16, 2009

VIA ELECTRONIC FILING

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

Re: CC Docket No. 80-286
Petition of Gila River Telecommunications, Inc.
To Unfreeze Part 36 Category Relationships
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

On April 16, 2009, Derek White of Gila River Telecommunications, Inc., Douglas Kitch of Alexicon Consulting, and I met with Jennifer Schneider, Legal Advisor to Acting Chairman Michael J. Copps, with Renee Crittendon, Chief of Staff and Legal Advisor to Commissioner Jonathan S. Adelstein, and with Nicholas G. Alexander, Legal Advisor to Commissioner Robert M. McDowell. During these meetings, we discussed Gila River Telecommunications, Inc.'s (GRTI) pending petition to unfreeze the category relationships -- which have been frozen on an "interim" basis since 2001. We provided Ms. Schneider, Ms. Crittendon, and Mr. Alexander with a summary of points explaining why prompt approval of GRTI's petition -- which has been pending for nearly two and one-half years -- would serve the public interest. A copy of that summary is enclosed with this letter. In addition, we provided each of them with a data analysis which illustrates how GRTI's 2001 election to freeze separations category relationships is costing the company more than one million dollars per year in lost high cost support from the federal Universal Service Fund. That data analysis contains competitively sensitive confidential information and therefore falls within the scope of "trade secrets and commercial or financial information obtained from a person and privileged and confidential." Such information is exempt from public disclosure pursuant to 5 U.S.C. § 552(b)(4) and 47 C.F.R. §0.457(d).

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. Please direct any questions regarding this submission to undersigned counsel for GRTI.

Sincerely,



Mitchell F. Brecher

Counsel for Gila River Telecommunications, Inc.

Enclosure

Cc: Ms. Jennifer Schneider
Ms. Renee Crittendon
Mr. Nicholas G. Alexander

**In the Matter of the)
Petition of Gila River Telecommunications, Inc.)
To Unfreeze Part 36 Category Relationships)**

- Gila River Telecommunications, Inc. (GRTI) is a rural local exchange carrier wholly-owned by the Gila River Indian Community (located in Arizona, south of Phoenix).
- The company was created when the tribe purchased the exchange from U S West (now Qwest) in 1989.
- Its service area is approximately 372,500 acres which comprise the tribal community.
- In 2001, the FCC implemented a freeze of jurisdictional separations allocation factors and relationship categories for price cap ILECs; for rate of return ILECs, it froze allocation categories but gave those ILECs the option of freezing their category relationships.
- Expecting that the freeze would last for only five years or until comprehensive separations reform (whichever occurred first), GRTI elected to freeze category relationships -- largely for purposes of administrative convenience.
- Of more than 1,200 rate of return ILECs, approximately 80 opted to freeze relationships.
- Due to network upgrades and reconfigurations made by GRTI in the years following the 2001 freeze, the decision to freeze relationships became costly.
- Based on the most current data, that decision costs GRTI \$1,040,209 per year in Universal Service Fund high cost support -- a very small impact on the USF, but a huge impact on GRTI.
- In November 2006, GRTI petitioned the Commission for a waiver of the "interim" Part 36 rules to allow it to unfreeze the category relationships. That waiver petition was supplemented in August 2007 and has been the subject of several updated submissions and ex parte meetings, but still remains pending.
- No one has opposed GRTI's request and one party -- the National Telecommunications Cooperative Association -- has supported the request.
- With the FCC's recent proposal in Docket No. 80-286 to again extend the "interim" freeze for one additional year -- until June 30, 2010, what had been expected to be a 5 year (or less) freeze will remain in place for at least 9 years -- or more!
- GRTI has substantially expanded service to the tribal community. Since acquiring the exchange from U S West, it has increased the penetration rate among tribal members from 10% to about 70% -- dramatic progress, but still below the national average -- and the national expectation.
- It also has introduced advanced services such as DSL and now provides reliable and important 911 service.
- In order to continue to expand and upgrade its network and to provide affordable service without rate increases to the mostly low income tribal community, GRTI needs the high cost support to which it would be entitled but for its 2001 "interim" election.
- GRTI's waiver request has been pending for nearly two and one-half years. It is now time to act favorably on the petition.