



October 24, 2011

Ex Parte Notice – Exempt from Sunshine Prohibition Pursuant to 47 CFR § 1.1203(a)(1), 1.1204(a)(10)

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

Re: *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109

Dear Ms. Dortch:

On October 21, 2011, on behalf of General Communication, Inc., I spoke with Angela Kronenburg, Wireline Legal Advisor to Commissioner Clyburn. I also spoke with Paul de Sa, Chief of the Office of Strategic Planning and Policy Analysis.

In both calls, I presented points already summarized in the record in my ex parte letter from earlier today, regarding my earlier conversations with Messrs. Lazarus and Katz, among others¹. In both calls, I stated that the likely effect only a two year delay in the start of any phase out of CETC support in rural Alaska, would be to suspend planned deployments of 2G wireless services in 52 villages, 49 of which are currently unserved by any wireless carrier. While that phase out may eventually be superseded by the creation of, and transition to, a Mobility Fund 2 to be proposed in a Further Notice of Proposed Rulemaking, a company could not rely on the availability of such support in making its investment decisions prior to that mechanism being defined with specificity. This is especially true if accompanied by a cap on CETC support in a given study area, as a carrier that initiated new service would be unlikely to receive revenue beyond end user revenue for doing so. I observed that while a delay in the start of a phase out accompanied by such a cap could help prevent discontinuance of existing services, it was unlikely to lead to new deployments of unserved areas. I also observed that it would not be surprising for the Commission to require more than two years to establish the rules, and then to implement the selection procedures (such as a reverse auction) for a Mobile Fund 2.

¹ Corrected Ex Parte Letter from John Nakahata, Wiltshire & Grannis LLP, on behalf of General Communication, Inc., to Marlene H. Dortch, Federal Communications Commission, WC Docket Nos. 10-90 et al. (filed Oct. 21, 2011).

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A copy of this letter is being filed in the above-referenced docket.

Sincerely,

_____/s/_____

John T. Nakahata
Counsel to General Communication, Inc.

Cc: Paul de Sa
Angela Kronenburg