

July 30, 2012



**Ex Parte**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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; *Universal Service Reform- Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

On July 26, 2012, Tina Pidgeon, Jessica Graham, Martin Cary, Krag Johnson, and Lewis Schnaper of General Communication, Inc. ("GCI") met with Geoffrey Blackwell, Chief, FCC Consumer & Governmental Affairs Bureau, Office of Native Affairs and Policy ("ONAP"); Irene Flannery, Deputy Chief, ONAP; Dan Rumelt, Senior Advisor for Consultation Policy, ONAP; and Andrea Sanders, Legislative Assistant, Office of Senator Begich.

The GCI attendees distributed the attached presentation, which summarizes the points made during the meeting. In addition, GCI discussed the impact of reforms to the universal service program to date on both GCI and to the State of Alaska, and the ongoing needs of the State with regards to advanced mobile and broadband services. GCI noted that the Remote Alaska cap as implemented in the Universal Service Fund ("USF") order<sup>1</sup> will impede continued wireless deployments to currently unserved communities, and there remains considerable uncertainty that any of the nationwide Connect America Fund successor funding mechanisms as

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<sup>1</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform--Mobility Fund*; Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 1766, 17835-17836 ¶529 (2011) ("USF Order").

currently envisioned will provide access to necessary support to deploy advanced voice and broadband services in Remote Alaska. For instance, Mobility Fund I, as designed, is unlikely to provide much benefit to Alaska because of the emphasis on road miles. The Tribal Mobility Fund mechanisms have not yet been designed, which creates substantial uncertainty regarding future funding streams for mobile voice and broadband deployment in high cost Tribal lands. As the FCC continues to implement the Connect America Fund's successor funding mechanisms, including Mobility Funds I and II and their tribal components, as well as a Remote Areas Fund, the FCC must conduct a comprehensive analysis of the current capabilities in the State to deliver basic and modern communications services and then determine a realistic assessments of the costs to provide ubiquitous service in Alaska that is reasonably comparable to service in other areas in the Lower 48.

GCI also discussed various petitions for waiver pending before the FCC, specifically ones filed Adak Eagle Enterprises ("AEE") and its subsidiary Windy City Cellular ("Windy City") seeking a waiver of the Commission's limitation of high cost universal service support to \$3,000 per year.<sup>2</sup> GCI explained that a denial of such waivers would not result in a loss of GCI's service on Adak Island. GCI explained rather that it would be able to continue and potentially expand its service to the Adak Island should AEE or Windy City be forced to shut down and that GCI could provide Adak Island with largely comparable service subject to the \$3000 per line annual cap. Specifically, GCI discussed that while it may need to invest in additional coverage and/or power for indoor use, as well as either to acquire facilities from AEE's estate or to construct new transmission paths for enterprise customers, meriting additional support, this support would not exceed the FCC's \$3000 per line limit.

Finally, GCI discussed how, as the only statewide provider in Alaska, GCI is actively working to expand its network to serve Alaska Native populations, particularly through GCI's ongoing expansion of its TERRA-SW network. GCI's ongoing TERRA expansion is a model of success for serving rural Alaska as a great example of a telecom provider's ability to leverage private capital with government funding and of the successful collaborative partnerships between providers and the local village communities to meet identified needs. The critical middle mile terrestrial broadband networks being deployed through TERRA will not only advance telemedicine and distance learning capabilities for Alaskan Natives in remote villages, but also will improve the availability of broadband to the homes and businesses in rural Alaska. For example, the new residential Internet plans that GCI is offering in Southwestern Alaskan villages today are dramatically better than what is available to residents in Kotzebue in Northwestern Alaska. In Kotzebue today, the highest speed Internet an individual can purchase is 1.5 Mbps compared to the new 6 Mbps plans being offered by GCI in Bethel in Southwestern AK. Without sufficient and sustainable universal service funding, there would be no business case to deploy the necessary middle mile infrastructure to deliver these life-saving and life-altering services to anchor institutions, small businesses and residential consumers that are currently limited to satellite-based services. Further deployment of modern wireless and broadband

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<sup>2</sup> See Petition for Waiver of Adak Eagle Enterprise, LLC, WC Docket Nos. 10-90 et al., (filed May 22, 2012); Petition of Windy City Cellular, LLC, WC Docket Nos. 10-90 et al., (filed Apr. 18, 2012).

Marlene H. Dortch

July 30, 2012

Page 3

networks to additional currently unserved communities in rural Alaska therefore depends upon the provision of services to key anchor telemedicine and distance learning customers that are supported by the various programs of the Universal Service Fund as well as continued efforts to leverage this funding to secure other private funding sources.

Please contact me if you have any questions.

Sincerely,

/s/

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Megan Delany  
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Washington, D.C. 20005  
(202) 457-8815

cc: Geoffrey Blackwell  
Irene Flannery  
Dan Rumelt  
Andrea Sanders

# TERRA

**Federal Communications Commission  
Office of Native Affairs and Policy  
Chief Geoffrey Blackwell**

July 2012



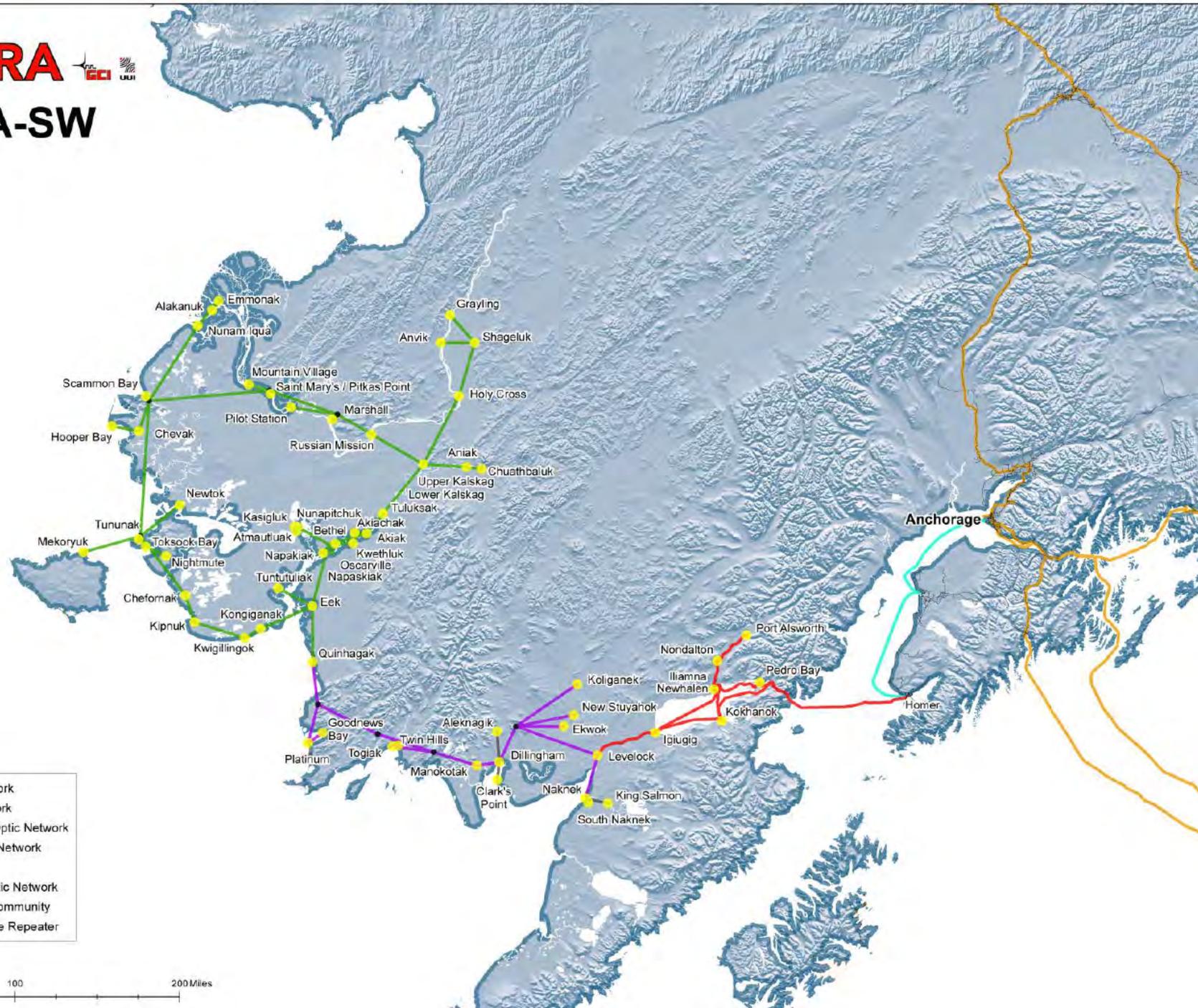
## Scope:

- Extended terrestrial fiber/microwave network from Anchorage to Dillingham to Bethel to Grayling
- \$147M Estimated Cost
  - \$44M RUS Broadband Initiatives Program Grant
  - \$103M GCI Internal Capital (including \$44M RUS loan) to serve 30,000 people, approximately \$11,000 per household
- Provides better service to school districts and health corporations through terrestrial network enabling critical distance learning and telehealth capabilities
- 65 rural communities linked to Anchorage
  - 400 miles of new fiber optic cable
  - 4 new remote mountaintop microwave repeaters
  - 9 new village microwave towers
  - Upgrade of DeltaNet, existing terrestrial broadband network serving 43 communities
  - Over 2/3 of SW residents are Alaska Native

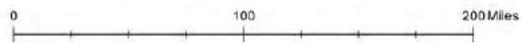
# TERRA



## TERRA-SW



- New Fiber-Optic Network
- New Microwave Network
- Upgraded GCI Fiber-Optic Network
- Upgraded Microwave Network
- Leased Facilities
- Existing GCI Fiber-Optic Network
- TERRA-SW Served Community
- TERRA-SW Microwave Repeater



# TERRA Southwest



# Rural Broadband Internet Service



- 65 communities to receive new and improved mass market service at affordable rates
- 63 will receive service through new last mile Wi-Fi
  - Wi-Fi signal distribution within community
  - Customer Wi-Fi antenna on home
- 2 communities will have different solutions
  - Bethel: GCI Cable and UUI DSL modems
  - Dillingham: Nushagak Telephone to purchase wholesale Internet service plans from GCI and sell those plans to their customers using cable and DSL modems. Wholesale plans will also be available to other RLECs in the TERRA-SW service area.
- Deployment of new service already in motion
  - Port Alsworth, Aniak, Kokhanok, Nondalton, Newhalen, Iliamna, Pedro Bay, and Bethel complete
  - All 65 complete by October 2012
- More info available at [www.gci.com/terra](http://www.gci.com/terra)



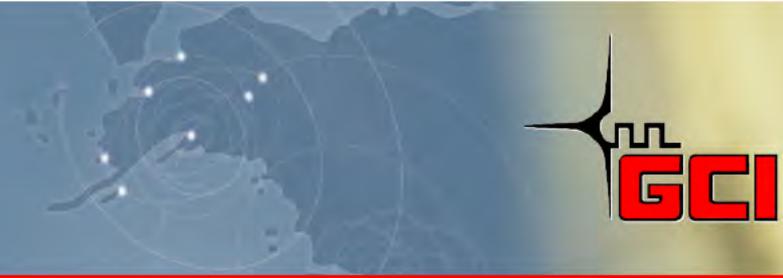
# TERRA Northwest Phase 1 & 2



- Extends network to Unalakleet, Shaktoolik (2012) and Nome (2013)
- \$35.2M project budget
  - New Market Tax Credit Financing
  - \$6M State of Alaska Regulatory Commission funding
- Phase 1 under construction
  - Project permits all complete
  - Holy Cross Hills Repeater Winter Construction Complete
  - Sky Crane in Unalakleet July 16-19, 2012 – successfully lifted modules and fuel tanks
- Phase 1: fall 2012 completion & Phase 2: fall 2013 completion



# TERRA Northwest



**Microwave tower goes up near Grayling. April 2012**



**Sky Crane in Unalakleet  
July 16, 2012**



**TERRA NW Phase 1 Barge  
June 2012**

# TERRA Northwest Phase 3: Kotzebue



## Scope:

- Extends network from Shaktoolik to Kotzebue
- \$25.8M Estimated Cost
- 5 repeater sites on BLM land & 1 tower in Kotzebue
  - Bureau of Land Management EA process to begin soon
  - Community meetings and field work later this summer and fall
  - Permits in time for construction in 2013-14

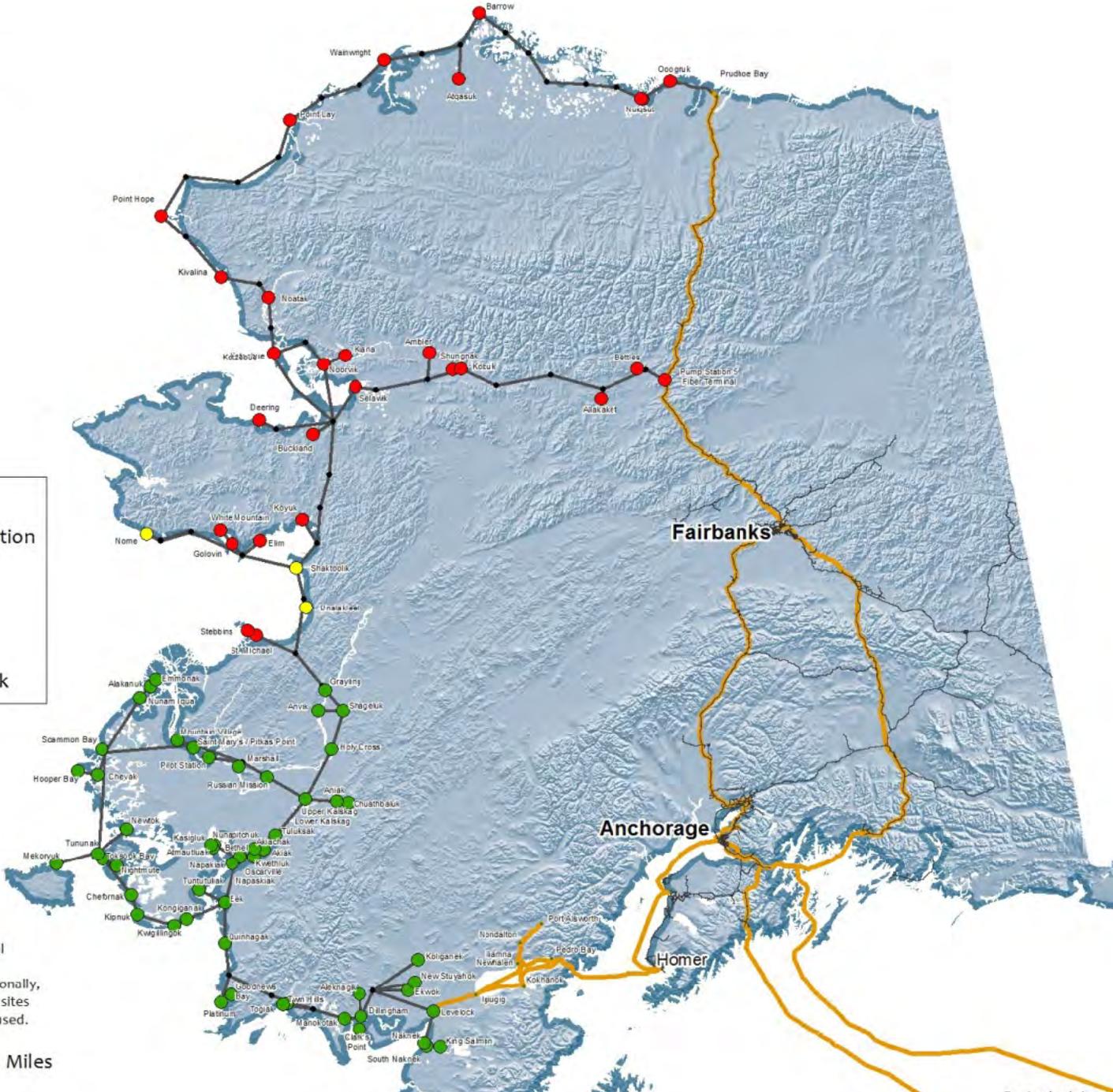
## New Market Tax Credits:

- Cherokee Nation allocation approval pending before CDFI

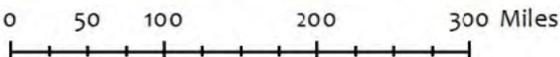




- Proposed Microwave Site
- Microwave Site Under Construction
- Existing Microwave Site
- Microwave Repeater
- Microwave Link
-  Existing GCI Fiber-Optic Network



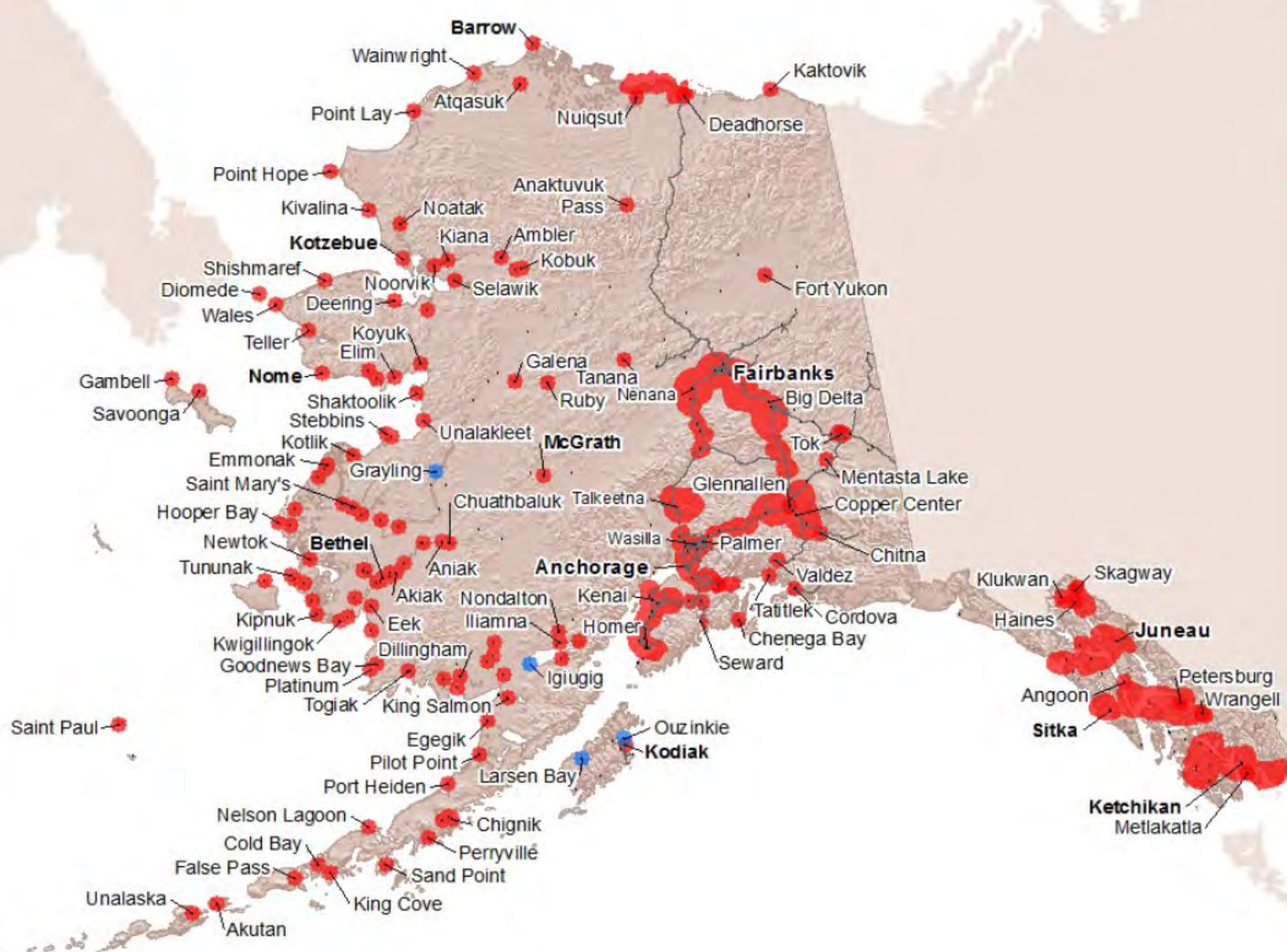
Note: This map represents GCI's long term vision to bring a terrestrial telecommunications network to many areas of rural Alaska. The "proposed microwave sites" are not funded or financed and only represent a possible future network. Additionally, "proposed microwave sites" do not reflect all possible future sites in Alaska, and other technology, such as fiber optics, may be used.





**GCI Wireless Availability**

- Current
- 2012 (Planned)





The screenshot shows the Terra Project Website interface. At the top, the 'TERRA' logo is displayed in red and white. Below it is a navigation menu with links for HOME, PROJECT OVERVIEW, BENEFITS, MAPS & LOCATIONS, LINKS, and CONTACT US. The main content area features a large map of Southwest Alaska with various project routes highlighted in green, yellow, and red. To the left of the map, there is a 'PROJECT UPDATES' section with a list of recent news items, including dates and brief descriptions of events like community meetings and technical work. Below the map, there are two blue buttons: 'see where our planned LOCATIONS' and 'see the project BENEFITS'. At the bottom of the page, there is a 'NEWS AND ANNOUNCEMENTS' section with three columns of news items, each with a date and a brief headline, such as 'SOUTHWEST ALASKA BROADBAND CONSORTIUM' and 'KOLIG RADIO STORY ON LINE SURVEY'.

## Terra Project Website

- Project info and maps
- Recent news
- Project Video
- Project updates – sign up to follow on Twitter

Please visit: <http://terra.gci.com>