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August 20, 2014

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

Re: Ex Parte Communication with Commissioner O’Rielly and Amy Bender

Dear Ms. Dortch:

On August 20, 2014, Dan Lindgren from Ketchikan Public Utilities met with Commissioner O’Rielly and his Wireline Legal Advisor Amy Bender. Also attending the meeting were Jason Suslavich from Congressman Don Young’s office and Andrea Sanders from Senator Mark Begich’s office.

Mr. Lindgren discussed concerns related to the unsubsidized competitor issue. In the *Transformation Order*, the FCC proposed limiting eligibility for Connect America Fund support in areas served by an unsubsidized carrier serving 100 percent of an ILEC service area with a terrestrial network. The FCC focused exclusively on ‘high cost support’ and planned to ignore a corporation’s receipt of other federal support mechanisms - such as E-Rate, or the receipt of support by corporate affiliates – in determining the corporation’s “unsubsidized” status.

The FCC now proposes disregarding the consideration of whether a competitor is unsubsidized. Rather the FCC now proposes to focus only on whether any competitor serves the same area as the ILEC before it will determine that the ILEC is no longer eligible to receive high cost support. Under this proposal the FCC will not even require the competitor to provide terrestrial wireline service - instead allowing the mere presence of a wireless platform to render the ILEC ineligible for support.

KPU believes that the FCC’s approach ignores the financial and technical realities of rural and remote Alaska. The harsh climate, small population, vast distances, and lack of affordable middle-mile transport means there is virtually no place in Alaska that supports a solid business case for building telecommunications infrastructure without a federal support mechanism. All of the carriers receiving support in Alaska require it to maintain existing networks and continue to invest in the advanced infrastructure needed to provide broadband. Mr.



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Lindgren urged Commissioner O’Rielly to consider the needs of Alaska carriers as the Commission weighs these critical issues. The elimination of high cost support will cause many Alaska communities to face a rapidly disintegrating financial environment. Alaska consumers deserve better than to be stranded on the wrong side of the digital divide.

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS. If you have any questions or I may be of assistance, please do not hesitate to contact me. Thank you.

Sincerely,

**DYKEMA GOSSETT PLLC**

/s/  
Shannon M. Heim

cc: Michael O’Rielly  
Amy Bender