



August 28, 2014

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

RE: **Ex parte filing** in WC Docket Nos. 10-90 and 05-337

Dear Ms. Dortch:

On August 27, 2014, Pam Murphy, Chief Financial Officer for Copper Valley Telephone Cooperative (CVT), Christine O'Connor, Executive Director for the Alaska Telephone Association, Rafi Bortnick, legislative Correspondent for Senator Begich, Jason Suslavich, Legislative Assistant for Congressman Young met with FCC Chairman Wheeler and Patrick Halley, his Legal Advisor. Dave Dengel, CEO/GM for CVT and Jeff Smith, President and CEO of GVNW participated telephonically.

This ex parte meeting consisted of a discussion of the challenges of operating in rural, remote Alaska. I thanked the Chairman for his leadership in eliminating the QRA model, but expressed my concern with what would replace QRA to distribute High Cost USF support. I told the Chairman that because of the elimination of the QRA, CVT is able to deploy fiber to the community of Slana this summer at a cost of approximately \$650,000.

We discussed what should be the mechanism for distribution High Cost support to rural companies. I told the chairman that freezing CVT's support at today's level for a period of time would allow CVT to continue to provide services to our customers and to continue to upgrade our plant and facilities. I also indicated that if the Commission chose to use a model to distribute support to rural companies that it would need to include Alaska cost data. We gave an example of costs that CVT incurred in the Keystone Canyon area of our service area where a 2-3 mile piece of fiber cost approximately \$2.0 million to deploy because we had to bore through rock. By using this construction method, this stretch of fiber has survived floods, major road washouts and avalanches. We also mentioned that this area of the Trans Alaska Pipeline System was the most expensive portion of the entire pipeline.

We added that if a model approach was used that, in addition to using Alaska cost data, it would need to allow for timely review of the costs of the individual

companies if the model ended with a reduction of the support a company were to receive. CVT would be prepared to show its unredacted costs to support its receipt of high cost support.

We discussed CVTC's revenues and margins and how CVTC used these margins to reinvest in its plant and network to continue to provide state of the art telecommunication services to our customers.

We discussed Copper Valley's wireless operation. This discussion included the importance of the Copper Valley sites for public safety and commerce. The capital and operating expenses were also discussed.

I asked that the Commission freeze the CETC support for Alaska companies at the current level for a period of 10 years. This will allow the small rural networks to mature and become sustainable.

As required by the Commission's rules, this ex parte record is now filed in the above referenced dockets. If there are any questions, please call me at 907-835-7701.

Respectfully submitted,

/s/

David Dengel, CEO
Copper Valley Telephone Cooperative

Cc:
Chairman Tom Wheeler
Patrick Halley
Andrea Sanders
Rafi Bortnick
Jason Suslavich
Leila Kimbrell
Christine O'Connor
Pam Murphy
Jeff Smith

Attachment: FCC Briefing slides 082714