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September 3, 2014

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

Re: Ex Parte Communication with Chairman Wheeler and Patrick Halley

Dear Ms. Dortch:

On August 27th, 2014, Chairman Wheeler met with Ed Cushing, Telecommunications Division Manager of Ketchikan Public Utilities (“KPU”) in the Alaska Telephone Association office in Anchorage, Alaska. Also present in the meeting were Patrick Halley, Associate Chief of the Wireline Competition Bureau, Christine O’Connor, Executive Director of the Alaska Telephone Association, Jason Suslavich and Rafi Bortnich, staff members representing Congressman Don Young and Senator Mark Begich, respectively. In this meeting Mr. Cushing’s comments were consistent with the comments detailed below, in relation to Mr. Halley’s subsequent on-site visit to Ketchikan.

On August 29, 2014, Patrick Halley toured several sites in the City of Ketchikan with members of KPU, including Mr. Cushing and Dan Lindgren, Assistant Telephone and Regulatory Manager. City Manager Karl Amylon and Bob Weinstein from Senator Mark Begich’s office joined them periodically throughout the day.

Mr. Lindgren and Mr. Cushing discussed the significant impact that the advanced telecommunications services delivered by KPU has on the economic prosperity on the City of Ketchikan. KPU has deployed an all-IP local network – including fiber-to-the-premise – enabling community wide availability of high-speed broadband, IPTV, and advanced Hosted IP business services. Notably, KPU has also invested in 4G/LTE services and ownership of middle-mile facilities. In that regard, KPU discussed the fact that KPU is the “model” ILEC – having utilized a combination of USF and internal capital to ensure efficient and affordable delivery of advanced services - underscoring the importance of high cost support to build and maintain a robust last mile. Despite its impressive accomplishments, KPU emphasized that it continues to be limited by the very high cost of middle mile access (whether via lease or purchase of



Ms. Marlene H. Dortch, Secretary
September 3, 2014
Page 2

monopoly-controlled undersea fiber, or via construction of international microwave radio to Canada via limited/available frequency/utilizing mountain-top tower/antenna).

KPU strongly believes that current FCC proposals regarding the unsubsidized competitor issue ignore the realities of Alaska. Alaska's harsh climate, geography, small population, lack of competitive middle-mile facilities and vast distances mean models proposed to-date based on the Lower 48 will not work in Alaska. The FCC must instead focus on supporting quantifiable network efficiency and quality via the proven historic provider (I.e., the incumbent ILEC) and via Alaska-specific models - as opposed to 'pretend' efficiencies gained via subsidizing half-baked competition (or otherwise ignoring massive subsidies provided to "unsubsidized" competitors). A failure to do so will result in many Alaska communities (including schools and libraries) falling far behind the rest of the country.

Mr. Halley toured Ketchikan Senior High and the local library, both recipients of federal E-Rate funding. Schools and the library in Ketchikan provide dynamic multimedia services to the residents of Ketchikan, including creating and distributing distance learning materials for use in remote rural Alaska school districts that are otherwise without resources to teach advanced and specialized courses. The limits on the services these vital public entities provide are not caused by last mile transport (notably, the eight-school Ketchikan district is supported on-island via a KPU-provided Gig fiber OWAN service) nor lack of internal facilities including WIFI. Rather, ultimately the district is limited by lack of affordable statewide middle mile transport. The Ketchikan school district can create all of the content they desire, but without increased availability of affordable middle mile transport connectivity, the district is severely limited in what they can distribute throughout rural areas of Alaska.

In that regard, KPU stressed that long-term viability and sustainability of E-Rate funding in Alaska may only be possible via creation of an agnostic non-profit entity that receives E-Rate funding and contracts for E-Rate services – with a long-term focus upon creation of an all-Alaska open-network (available to all carriers at reasonable rates/ensuring development of competitive networks, and affordable pricing for advanced services).

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.



Ms. Marlene H. Dortch, Secretary
September 3, 2014
Page 3

Sincerely,

DYKEMA GOSSETT PLLC

/s/

Shannon M. Heim

cc: Tom Wheeler
Patrick Halley