DYKEMA

Dykema Gossett PLLC
4000 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
WWW.DYKEMA.COM
Tel: (612) 486-1900
Erik B. Levy
Direct Dial: (612) 486-1906
Direct Fax: (866) 770-4906
Email: ELevy@dykema.com

September 12, 2014

Julie A. Veach, Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: In the Matter of Connect America Fund, WC Docket No. 10-90

Dear Ms. Veach:

On behalf of Ketchikan Public Utilities ("KPU"), I am filing two documents with the Wireline Competition Bureau at the Federal Communications Commission ("FCC") to facilitate review of the cost model in the above-captioned proceeding. These documents have been signed by Mr. Ed Cushing, KPU's Division Manager:

Appendix A – Acknowledgement of Confidentiality; and

Appendix B – CostQuest Associates, Inc. Restricted CACM License Limited To Use Solely for Review and Evaluation for Purposes of the FCC Proceeding in WC Docket No. 10-90 and Concurrent Related or Subsequent Related Administrative or Judicial Proceedings.

I am also serving these documents electronically on CostQuest Associates, Inc., through its Counsel of Record, Margaret Avril Lawson.

Please contact me with any questions regarding this filing. Thank you.

Sincerely,

DYKEMA GOSSETT PLLC

Erik B. Levy

EBL
Attachments

cc: Ed Cushing
Kristie Smith

APPENDIX A

Acknowledgement of Confidentiality—WC Docket No. 10-90 and Concurrent Related or Subsequent Related Administrative or Judicial Proceedings

I hereby acknowledge that I have received and read a copy of the foregoing Third Supplemental Protective Order in the above-captioned proceeding. If I am seeking access to the User Materials, I also acknowledge that I have received and read a copy of the attached Restricted CACM License (the "Licensing Agreement"), and I understand it. If I am seeking access to the Source Code Materials, I acknowledge that I have received and read a copy of the attached Non-Disclosure Agreement for Source Code, and I understand it. If I am seeking access to the System Evaluator package, which provides access to both User Materials and Source Code Materials, I acknowledge that I have received and read a copy of both the Licensing Agreement and the Non-Disclosure Agreement for Source Code, and I understand both.

I agree that I am bound by the Third Supplemental Protective Order and by one or both of the Licensing Agreement and/or Non-Disclosure Agreement for Source Code, as appropriate, and that I shall not disclose or use Licensed Materials except as allowed by the Third Supplemental Protective Order, the Licensing Agreement and/or Non-Disclosure Agreement for Source Code.

I acknowledge that a violation of the Third Supplemental Protective Order is a violation of an order of the Federal Communications Commission.

I acknowledge specifically that my access to any information obtained as a result of the Third Supplemental Protective Order and the Licensing Agreement and/or Non-Disclosure Agreement for Source Code is due solely to my capacity as a party or representative of a party to this proceeding or as a person described in paragraph 9 of the Third Supplemental Protective Order and agree that I shall not use such information in any other capacity.

I acknowledge that it is my obligation to ensure that Licensed Materials are not accessed or used except as specifically permitted by the terms of the Third Supplemental Protective Order and the Licensing Agreement and/or Non-Disclosure Agreement for Source Code, as appropriate.

I certify that I have verified that there are in place procedures at my firm or office to prevent unauthorized access to or disclosure of Licensed Materials.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Third Supplemental Protective Order.

I hereby request access to the User Materials:	X Yes	___ No
I hereby request access to the Source Code Materials:	___ Yes	X No
I hereby request access to the System Evaluator package:	___ Yes	X No

Executed this 3 day of September, 2014.

[Name] and [Position] Ed Cushing, Division manager
[Address] 2970 Tongass Ave, Ketchikan, AK. 99901
[Telephone] 907-228-5421
[E-mail address] edc@city.ketchikan.ak.us

cc: kristics@city.ketchikan.ak.us

APPENDIX B

CostQuest Associates, Inc. Restricted CACM License Limited To Use Solely for Review and Evaluation for Purposes of the FCC Proceeding in WC Docket No. 10-90 and Concurrent Related or Subsequent Related Administrative or Judicial Proceedings

THIS LIMITED LICENSE ("Licensing Agreement") is accepted and made effective as of the 3 day of September, 2014 ("Effective Date"), between CostQuest Associates, Inc. ("CostQuest") and Ketchikan Public Utilities ("Licensee") with respect to, and including any derivative works of: (i) CostQuest's proprietary software application (the Connect America Fund Phase II forward-looking model or the "Connect America Cost Model" or "CACM"), (ii) the output of the CACM which includes only screen shots, CACM Reports, CACM Solution Sets, CACM audit reports, CACM derived data provided by Contractor to Company, and downloads available directly from the CACM website ("CACM Output"), (iii) proprietary CACM inputs, data and databases, (iv) network topologies provided as inputs to the CACM, and shall also include related drawings, designs, object code, applications, analytic tools, data provided by CostQuest that is not otherwise publicly available and that CostQuest has kept strictly confidential, defined processes and approaches, and concepts, created or generated by CostQuest at any time before, during, and under this protective order (collectively, the "User Materials"). Licensee and CostQuest will be referred to collectively as the "Parties."

CostQuest hereby grants to Licensee, and Licensee hereby accepts, a non-exclusive, non-transferable, limited license to use the User Materials, whether in form of the on-line or system evaluator versions, without fees, charges, or costs to the Licensee of any kind. Licensees will be provided with a minimum of 50 GB of storage capacity for Licensee CACM solution sets at no charge (for additional storage, a fee of $55 per 10 GBs may be assessed). Licensee shall make use of the User Materials under the following terms and restrictions:

1. License Grants and Restrictions

   1.1. Licensee shall utilize the User Materials only for review and evaluation for purposes of providing comments and other filings to the Federal Communication Commission ("FCC") in WC Docket No. 10-90, and in concurrent related or subsequent related administrative or judicial proceedings (the "Project").

   1.2. Licensee shall not transfer, sell, rent, disclose, make available or otherwise communicate, resell, sublicense or use the User Materials for any other purpose or in any other manner.

   1.3. Licensee shall make copies only of the licensed CACM Output as required for the Project as described in section 1.1 above. On any copy of the CACM Output that Licensee is permitted to make or distribute, Licensee shall reproduce all copyright notices and any other proprietary legends of CostQuest as they appear.

   1.4. Licensee shall not make any copies, distribute, sublicense, transfer, sell, rent, disclose, or make available any User Materials provided under this Licensing Agreement except consistent with the Third Supplemental Protective Order.

   1.5. Licensee shall at all times maintain the confidentiality of the User Materials, handling the User Materials in compliance with the Third Supplemental Protective Order. In the event that any portion of the User Materials should come into the possession of unauthorized third parties as a result of a breach by Licensee of this Licensing Agreement, Licensee shall, at its expense and

without limiting any other rights available to CostQuest, immediately notify CostQuest and use all commercially reasonable efforts to retrieve such materials and shall reimburse CostQuest for all reasonable expenses incurred by CostQuest in attempting to retrieve such materials.

1.6. Licensee shall not, and shall not permit any third party to, disassemble, decompile, reverse engineer, or otherwise recreate the User Materials.

1.7. In accessing or using the User Materials, Licensee shall not, by any action or inaction, violate laws or regulations promulgated by any governmental or quasi-governmental authorities that are binding upon it and shall take all reasonable steps to assist CostQuest or any other participant in the Project, or their affiliates, to avoid any violations of any such laws or regulations that are binding upon them.

1.8. Upon reasonable notice to Licensee, and at CostQuest's sole expense, CostQuest's auditors shall have the right to inspect Licensee's records relating to the Project as necessary for CostQuest to verify Licensee's compliance with the terms of this Licensing Agreement. Audits shall be conducted at Licensee's premises during normal business hours and in a manner that does not unreasonably interfere with Licensee's operations.

1.9. If Licensee sells, makes available to a third party, or otherwise disposes of Licensee-owned media on which the User Materials are or were resident, that media must be erased and scrubbed of the User Materials before such sale or disposal.

1.10. The Universal Service Administrative Company ("USAC") in consultation with the FCC, may limit or may allow CostQuest to limit the number of downloads of each type of CACM audit report by Licensee and other licensees each day where necessary to manage server resources (including bandwidth) and to preserve the integrity and/or proprietary nature of the data provided.

1.11. The foregoing does not preclude Licensee from disclosing any information made publicly available by the FCC or USAC.

2. Disclaimer of Warranties

2.1. LICENSEE ACKNOWLEDGES AND AGREES THAT (A) COSTQUEST HAS NOT MADE ANY EXPRESS OR IMPLIED WARRANTIES TO LICENSEE REGARDING THE USER MATERIALS AND (B) THE USER MATERIALS ARE BEING PROVIDED TO LICENSEE "AS IS," WITHOUT WARRANTIES OF ANY KIND. COSTQUEST DOES NOT WARRANT THAT THE USER MATERIALS ARE FREE FROM DEFECTS. COSTQUEST EXPRESSLY EXCLUDES AND DISCLAIMS ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

3. Term and Termination

3.1. This Licensing Agreement shall terminate automatically upon the termination of the FCC proceeding in WC Docket No. 10-90 and concurrent related or subsequent related administrative or judicial proceedings.

3.2. Notwithstanding section 3.1, if Licensee agrees that Licensee does not continue to require any User Materials, CostQuest may terminate this Licensing Agreement.

3.3. If CostQuest believes that Licensee is in violation of the Third Supplemental Protective Order or this Licensing Agreement, CostQuest shall so notify the FCC. If the FCC determines that Licensee is in violation of the Third Supplemental Protective Order or this Licensing Agreement and so orders, CostQuest may terminate this Licensing Agreement.

4. Limitation of Liability

4.1. IN NO EVENT SHALL COSTQUEST HAVE ANY LIABILITY FOR DAMAGES SUSTAINED BY LICENSEE IN CONNECTION WITH THIS LICENSING AGREEMENT, THE PROJECT OR THE POSSESSION OR USE OF USER MATERIALS, INCLUDING, WITHOUT LIMITATION, ANY LOST REVENUES OR PROFITS, OR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, EVEN IF COSTQUEST HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5. Ownership of Intellectual Property

5.1. Licensee acknowledges that the User Materials, including without limitation all output and derivatives of, as well as all modifications and customizations to the User Materials, are proprietary to CostQuest and that CostQuest retains exclusive ownership of all such User Materials and all proprietary rights associated therewith. Licensee shall, at the direction of CostQuest, take all commercially reasonable measures to protect CostQuest's rights in the User Materials. Nothing in this Section 5.1 limits Licensee's ability to use outputs and descriptions of the User Materials in accordance with the terms of this Licensing Agreement in the above-captioned proceeding and concurrent related or subsequent related administrative and judicial proceedings.

5.2. Except as expressly provided herein, Licensee is not granted any other rights or license to patents, copyrights, trade secrets, data or trademarks with respect to User Materials. Licensee shall promptly notify CostQuest in writing upon its discovery of any unauthorized use or infringement of the User Materials.

6. Additional Terms

6.1. Compliance with FCC Requirements and Other Laws. This Licensing Agreement is expressly made subject to any United States government laws, regulations, orders or other restrictions regarding the Project or use of software, data, output or products thereof. Notwithstanding anything to the contrary in this Licensing Agreement, Licensee shall not directly or indirectly export, or permit the transfer of, any software, data, output or products (a) to any country or destination for which the United States government or a United States governmental agency requires an export license or other approval for export without first having obtained such license or other approval; or (b) otherwise contrary to United States law, including, without limitation, FCC rules, policies and regulations.

6.2. No Waivers. No delay or omission by either party to exercise any right or power accruing upon any noncompliance or default by the other party with respect to any of the terms of this Licensing Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any breach of the covenants, conditions or agreements to be

performed or honored by the other party shall not be construed to be a waiver of any later breach thereof or of any other covenant, condition or agreement herein contained.

6.3. Assignments. This Licensing Agreement is binding upon and inures to the benefit of the Parties hereto and their respective successors and assigns. Licensee shall not assign this Licensing Agreement or transfer any rights granted hereunder, in whole or in part, without obtaining the prior written consent of CostQuest, and any attempted assignment or transfer in violation of this provision is void.

6.4. Severability and Survival of Obligations. If any provision of this Licensing Agreement is held invalid or unenforceable, the remainder of this Licensing Agreement shall not be affected thereby, and each remaining provision of this Licensing Agreement shall be valid and enforceable to the extent permitted by law. Sections 1, 2, 4, 5, and 6 shall survive any expiration or termination of this Licensing Agreement.

6.5. Nothing in this Licensing Agreement gives anyone, other than the Parties, any rights or remedies under this Licensing Agreement.

6.6. This Licensing Agreement may be executed in counterparts, and each (whether an original or facsimile) is considered an original and all constitute one and the same instrument.

6.7. Governing Law. This Licensing Agreement shall be governed by and construed in accordance with Federal law.

6.8. Entire Agreement. This Licensing Agreement, the Third Supplemental Protective Order, and the Non-Disclosure Agreement for Source Code (if it is executed) constitute the Parties' entire understanding with regard to the matters herein, and there are no other understandings, either written or unwritten, with regard to such matters. Any terms on either Party's web site, product schedule, or contained in any "shrinkwrap" or "clickwrap" agreement shall not have force or effect if the provision conflicts with the terms of this Licensing Agreement. The Licensing Agreement may not be modified, amended, canceled or waived, in whole or in part, except by a written instrument signed by the Parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Licensing Agreement by their duly authorized representatives effective as of the date first set forth above.

COSTQUEST:

CostQuest Associates, Inc.

By: _____
James Stegeman, President

LICENSEE:

/Ed Cushing
[name]

Division Manager
[position]

City of Ketchikan, Ketchikan Public Utilities
[company]

2970 Tongass Ave, Ketchikan, AK. 99901
[address]

907-228-5421
[telephone]

edc@city.ketchikan.ak.us /cc: Kristies@city.ketchikan.ak.us
[email address]

907-225-5421
[fax]