

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of

GCI COMMUNICATION CORP.,

Application for a License to Land and Operate
a Private Fiber-Optic Submarine Cable System
Connecting Akutan, Dutch Harbor, False Pass,
Levelock, and Port Heiden, Alaska,

THE TERRA-ALEUTIAN CABLE SYSTEM

File No. SCL-LIC-2017-_____

**APPLICATION FOR CABLE LANDING LICENSE—
STREAMLINED PROCESSING REQUESTED**

Pursuant to 47 U.S.C. § 34, Executive Order No. 10,530, and 47 C.F.R. § 1.767, GCI Communication Corp. (“GCICC,” FRN 0001568880), hereby applies for a license to land and operate within the United States a private fiber-optic submarine cable network connecting five communities in Southwest Alaska and the Aleutian Islands: Akutan, Dutch Harbor, False Pass, Levelock, and Port Heiden. The system will be known as the TERRA-Aleutian cable system. TERRA is GCI’s next-generation hybrid fiber-optic and microwave network that provides symmetrical broadband service to Alaska’s remote and rural regions. The TERRA-Aleutian cable system will extend the TERRA network to remote Southwest Alaska and the Aleutian Islands.

GCICC will operate TERRA-Aleutian on a non-common-carrier basis, by providing bulk capacity to wholesale and enterprise customers on particularized terms and conditions pursuant to individualized negotiations. GCICC intends to commence commercial operation of TERRA-Aleutian in the first calendar quarter of 2020. GCICC therefore seeks timely grant of a cable

landing license by the Commission no later than May 2018 in order to permit construction activities to proceed on schedule.

A grant of this application will advance the public interest. At present, the communities to be connected by TERRA-Aleutian—including Dutch Harbor, the largest U.S. fishing port by volume—rely solely on satellite links, which suffer from propagation delays and capacity constraints. TERRA-Aleutian will allow customers to use a state-of-the-art system and provide much-needed capacity and redundancy in Southwest Alaska and the Aleutian Islands.

A. Applicant Name, Address, and Telephone Number¹

GCI COMMUNICATION CORP.
2550 Denali Street
Suite 1000
Anchorage, Alaska 99503
+1 907 265 5600

B. Applicant Place of Incorporation²

GCICC is a Delaware corporation.

C. Applicant Contact Information³

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with a copy to:

¹ See 47 C.F.R. § 1.767(a)(1).

² See *id.* § 1.767(a)(2).

³ See *id.* § 1.767(a)(3).

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Counsel for GCI Communication Corp.

D. System Description⁴

TERRA-Aleutian will have a total length of 670 miles with four segments and five landings:

- Levelock to Port Heiden – 178 miles
- Port Heiden to False Pass – 260 miles
- False Pass to Akutan – 177 miles
- Akutan to Dutch Harbor – 55 miles

GCICC expects that TERRA-Aleutian will enter into commercial service in the first calendar quarter of 2020. In Appendix 1, the Applicant provides a route map for the system.

E. Landing Points⁵

The Applicant provided specific landing point information (including geographic coordinates for beach manholes and cable landing stations) in the following appendices:

- Appendix 2: Akutan
- Appendix 3: Dutch Harbor
- Appendix 4: False Pass
- Appendix 5: Levelock
- Appendix 6: Port Heiden

⁴ See *id.* § 1.767(a)(4).

⁵ See *id.* § 1.767(a)(5).

F. Regulatory Classification⁶

GCICC will operate TERRA-Aleutian on a non-common-carrier basis. Non-common-carrier classification of the proposed system is consistent with established Commission policy and precedent and with judicial precedent, and it will advance the public interest.

First, the Commission should not subject TERRA-Aleutian to common-carrier regulation because AU BLUE will not operate on a common-carrier basis as defined in *NARUC I*.⁷ The courts have stated that “the primary *sine qua non* of common carrier status is a quasi-public character, which arises out of the undertaking ‘to carry for all people indifferently.’”⁸ On TERRA-Aleutian, however, GCICC will not sell capacity indifferently to the user public. Instead, GCICC will: (a) use TERRA-Aleutian capacity as an input for other services offered to retail, enterprise, and government customers in Alaska, and (b) sell bulk capacity to particular carrier, enterprise, and government customers pursuant to individually-negotiated indefeasible rights of use (“IRUs”) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular capacity purchaser. The Commission has consistently found that such offerings do not make an applicant a common carrier.⁹

⁶ See *id.* § 1.767(a)(6).

⁷ See *Nat’l Ass’n of Regulatory Utility Comm’rs v. FCC*, 525 F.2d 630, 642 (D.C. Cir. 1976) (“*NARUC I*”) (stating that the court must inquire “whether there are reasons implicit in the nature of [the] operations to expect an indifferent holding out to the eligible user public”), *cert. denied*, 425 U.S. 992 (1976); see also *Virgin Islands Tel. Corp. v. FCC*, 198 F.3d 921 (D.C. Cir. 1999) (affirming FCC’s use of *NARUC I* test for distinguishing common-carrier and private-carrier services following enactment of the Telecommunications Act of 1996).

⁸ *Nat’l Ass’n of Regulatory Utility Comm’rs v. FCC*, 533 F.2d 601, 608 (D.C. Cir. 1976) (quoting *Semon v. Royal Indemnity Co.*, 279 F.2d 737, 739 (5th Cir. 1960)).

⁹ See *AT&T Corp. et al.*, Cable Landing License, 13 FCC Rcd. 16,232, 16,238 (Int’l Bur. 1998) (finding that individualized decisions concerning the sale or lease of capacity on the China-U.S. Cable Network would not constitute the effective provision of a service to the public so as to make the applicant a common carrier); *AT&T Submarine Systems, Inc.*, Cable Landing License, 11 FCC Rcd. 14,885, 14,904 ¶ 64 (Int’l Bur. 1996) (“*St. Thomas-St. Croix*

Second, the Commission should not subject TERRA-Aleutian to common-carrier regulation because there is no legal compulsion or other public-interest reason for GCICC to operate TERRA-Aleutian in such a manner. Under the *NARUC I* test, the Commission must determine whether the public interest requires common-carrier operation of the cable system.¹⁰ Traditionally, the Commission has “focused on whether the applicant has sufficient market power to warrant common carrier regulation,”¹¹ although the Commission “[is] not limited to that reasoning” and has looked more broadly to determine whether common-carrier licensing is in the public interest.¹² TERRA-Aleutian poses no such competitive or other public-interest concerns.

On routes served by TERRA-Aleutian, GCICC will compete vigorously with existing providers’ facilities, including existing satellite service providers: Alaska Communications Systems Group, Inc. (“ACS”), TelAlaska, Bristol Bay Telecom, AT&T, DSL, and HughesNet.¹³ The Commission has previously found the existence of intermodal competition sufficient to

Cable Order”) (finding that an “offer of access, nondiscriminatory terms and conditions and market pricing of IRUs does not rise to the level of an ‘indiscriminate’ offering” so as to constitute common carriage), *aff’d* 13 FCC Rcd. 21,585 (1998), *aff’d sub nom. Virgin Islands Telephone Corp. v. FCC*, 198 F.3d 921 (D.C. Cir. 1999).

¹⁰ *NARUC I*, 525 F.2d at 642 (stating that the court must inquire “whether there will be any legal compulsion . . . to serve [the public] indifferently”).

¹¹ *St. Thomas-St. Croix Cable Order*, 11 FCC Rcd. at 14,893 ¶ 30.

¹² *See AT&T Corp. et al.*, Cable Landing License, 14 FCC Rcd. 13,066, 13,080 ¶ 39 (1999) (stating that “[a]lthough this public interest analysis has generally focused on the availability of alternative facilities, we are not limited to that reasoning”); *Australia-Japan Cable (Guam) Limited*, Cable Landing License, 15 FCC Rcd. 24,057, 24,062 ¶ 13 (Int’l Bur. 2000) (stating that “[t]his public interest analysis generally has focused on whether an applicant will be able to exercise market power because of the lack of alternative facilities, although the Commission has not limited itself to that reasoning”); *Telefonica SAM USA, Inc. et al.*, Cable Landing License, 15 FCC Rcd. 14,915, 14,920 ¶ 11 (Int’l Bur. 2000) (stating that “[t]his public interest analysis has focused on the availability of alternative facilities, although the Commission has stated it is not limited to that reasoning”).

¹³ GCI will also continue operation of its satellite earth station facilities in these local markets.

justify non-common carrier status for a submarine cable system¹⁴ and that facilities need not be identical in order to offer pro-competitive benefits.¹⁵ More broadly, GCI and its affiliates will continue to compete vigorously with the incumbent, ACS, in the intra-Alaska and Alaska-Lower 48 markets. ACS's Alaska Northstar and AKORN systems connect Alaska with Oregon.

G. Cable Ownership Information¹⁶

GCICC will own and operate the whole of TERRA-Aleutian, including the wet links and cable landing facilities for all five landings in Alaska.

H. Certifications Regarding Ownership, Citizenship, Principal Business, and Interlocking Directorates¹⁷

By the signature below, GCICC certifies that it has the following 10-percent-or-greater direct or indirect shareholders:

GCI Holdings, Inc. ("GCI Holdings")

Address: 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503

Place of Organization: Alaska

Principal Business: telecommunications

Relationship: GCI Holdings holds a 100-percent voting and equity interest in GCICC's shares.

¹⁴ See, e.g., *General Communication, Inc.*, Cable Landing License, 12 FCC Rcd. 18,292, 18,297 ¶ 16 (Int'l Bur. 1997) (noting that existing terrestrial microwave and satellite facilities provided competition on the proposed route of GCI's Alaska United East system), *aff'd*, Order on Review, 16 FCC Rcd. 4314 (2001) ("*AU-East Order on Review*").

¹⁵ *St. Thomas-St. Croix Cable Order*, 11 FCC Rcd. at 14,898 ¶ 44 (stating that "requiring current identical substitute common carrier facilities before non-common carrier facilities will be authorized would serve as a disincentive for entities to take risks and expend capital to expand and upgrade facilities").

¹⁶ See 47 C.F.R. § 1.767(a)(7).

¹⁷ See *id.* §§ 1.767(a)(8)(i), 63.18(h).

GCI, Inc.

Address: 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503

Place of Organization: Alaska

Principal Business: telecommunications

Relationship: GCI, Inc., holds a 100-percent voting and equity interest in GCI Holdings' shares.

General Communication, Inc. ("GCI Parent")

Address: 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503

Place of Organization: Alaska

Principal Business: telecommunications

Relationship: GCI Parent holds a 100-percent voting and equity interest in GCI, Inc.'s shares.

John W. Stanton and Theresa E. Gillespie

Address: 155 108th Avenue NE, Suite 400, Bellevue, Washington 98004

Citizenship: USA

Principal Business: investments

Relationship: Mr. Stanton and Ms. Gillespie are husband and wife and own, as tenants in common, 3.8 percent of GCI Parent's outstanding Class A common shares and 47.1 percent of GCI Parent's outstanding Class B common shares. On a fully-diluted basis across all share classes, this gives Mr. Stanton and Ms. Gillespie a 24.6-percent voting interest and a 7.4-percent equity interest in GCI Parent.

Ronald A. Duncan

Address: 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503

Citizenship: USA

Principal Business: telecommunications; Mr. Duncan is CEO and a Director of GCI Parent

Relationship: Mr. Duncan owns 3.4 percent of GCI Parent's outstanding Class A common shares and 38.5 percent of GCI Parent's outstanding Class B common shares. On a fully-diluted basis across all share classes, this gives Mr. Duncan a 20.2-percent voting interest and a 6.4-percent equity interest in GCI Parent.

BlackRock, Inc. ("BlackRock")

Address: 155 108th Avenue NE, Suite 400, Bellevue, Washington 98004

Citizenship: Delaware

Principal Business: investments

Relationship: BlackRock owns 12.8 percent of GCI's outstanding Class A common shares. On a fully-diluted basis across all share classes, this gives BlackRock a 6.6-percent voting interest and a 11.7-percent equity interest in GCI Parent.

GCI Parent's Class A and Class B common shares are identical in all respects, except that

- (1) each share of Class B common stock has ten votes per share and
- (2) each share of Class B

common stock outstanding is convertible, at the option of the holder, into one share of Class A common stock.

GCI Parent's shares trade publicly on the NASDAQ exchange under the symbol GNCMA and are widely held. GCI Parent has no ten-percent-or-greater director or interest voting- or equity-interest holders other than those persons noted above. GCI Parent does not have any interlocking directorates with a foreign carrier.

As the Commission is aware, GCI Parent has entered into a transaction with GCI Liberty, Inc. ("GCI Liberty"), the consummation of which will result in a transfer of control and reorganization of GCI Parent.¹⁸ In the applications seeking Commission consent for that transaction, the parties have requested Commission consent to transfer control to GCI Liberty of (a) any licenses or authorizations issued to GCI Parent or any of its subsidiaries during the Commission's review of the transaction applications or during the period required for consummation of the transaction following approval, and (b) any applications filed by GCI Parent or any of its subsidiaries after the date of the transaction applications and that remain pending at the time of transaction consummation.¹⁹

I. Certification Regarding the Anti-Drug Abuse Act of 1988²⁰

By its signature below, GCICC certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.²¹

¹⁸ See WC Docket No. 17-114.

¹⁹ See, e.g., General Communication, Inc., Transferor, and GCI Liberty, Inc., Transferee, Consolidated Application for Consent to Transfer Control of International and Domestic Section 214 Authority, WC Docket No. 17-114, at 13-15 (filed May 1, 2017).

²⁰ See 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(o).

²¹ 21 U.S.C. § 862(a). Anti-Drug Abuse Act of 1988, Pub. L. No. 100-690, title V, Section 5301, 102 Stat. 4310 (1988), which related to denial of Federal benefits to drug traffickers and possessors—previously codified at 21 U.S.C. § 853(a)—was renumbered section 421 of

J. Certification Regarding Foreign Carrier Status and Foreign Affiliations²²

By the signature below, GCICC certifies that it is not a foreign carrier and is not affiliated with any foreign carrier, including any entity that owns or controls a cable landing station in a foreign country.

K. Certification Regarding Destination Countries²³

By the signature below, GCICC certifies to the following: (1) it is not a foreign carrier in any foreign country, much less a foreign destination market for TERRA-Aleutian (of which there is none, as it is a domestic system); (2) it does not control a foreign carrier in any foreign country, much less a foreign destination market for TERRA-Aleutian (of which there is none); (3) no entity controlling a foreign carrier in any foreign country, much less in a foreign destination market for TERRA-Aleutian (of which there is none) owns more than 25 percent of GCICC or controls GCICC; and (4) no grouping of two or more foreign carriers (or parties that control foreign carriers) owns, in aggregate, more than 25 percent of GCICC and are parties to, or beneficiaries of, a contractual relation affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer, and use of capacity TERRA-Aleutian in the United States.

L. Certification Regarding WTO Status and Affiliations with Foreign Carriers Having Market Power in Foreign Destination Markets²⁴

No response is required, as no country was identified in response to 47 C.F.R.

§ 1.767(a)(8)(iii).

the Controlled Substances Act by Public Law 101-647, title X, Section 1002(d)(1), 104 Stat. 4827 (1990), and has been recodified as 21 U.S.C. § 862(a). 47 C.F.R. § 63.18(o) does not reflect this recodification.

²² See 47 C.F.R. § 1.767(a)(8)(ii).

²³ See *id.* § 1.767(a)(8)(iii).

²⁴ See *id.* § 1.767(a)(8)(iv).

M. Certifications Regarding Routine Conditions²⁵

By its signature below, GCICC certifies that it accepts and will abide by the routine conditions specified in 47 C.F.R. § 1.767(g).

N. Streamlining—Market Power²⁶

GCICC requests streamlined processing pursuant to 47 C.F.R. § 1.767(k)(1). GCICC is not, and is not affiliated with, a foreign carrier owning or controlling a cable landing station in any foreign country, much less one in a landing country in which TERRA-Aleutian will land (of which there are none, as TERRA-Aleutian is a U.S. domestic system). This application raises no other foreign ownership, competition, or public interest concerns that would merit consideration outside the Commission's streamlined review process.

O. Streamlining—CZMA²⁷

By its signature below, GCICC certifies that it is not required to submit a consistency certification to any state or territory pursuant to Section 1456(c)(3)(A) of the Coastal Zone Management Act, codified at 16 U.S.C. § 1456(c)(3)(A). Alaska—the only state in which TERRA-Aleutian will land—does not list a cable landing license as a federal activity requiring a consistency certification. To the contrary, Alaska withdrew from the National Coastal Zone Management Program effective July 1, 2011.²⁸

²⁵ See *id.* § 1.767(a)(9).

²⁶ See *id.* § 1.767(j), (k).

²⁷ See *id.*

²⁸ See National Oceanic and Atmospheric Administration, Coastal Zone Management Programs, <https://coast.noaa.gov/czm/mystate/>.

P. Certification Regarding Service to Executive Branch Agencies²⁹

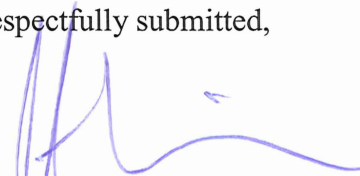
The Applicant has sent a complete copy of this application to the U.S. Departments of State, Commerce, and Defense. The Applicant's counsel has certified such service in the certificate of service attached to this application.

²⁹ See 47 C.F.R. § 1.767(j).

CONCLUSION

For the foregoing reasons, the Commission should expeditiously grant this cable landing license application for the TERRA-Aleutian cable system pursuant to streamlined processing.

Respectfully submitted,



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October 31, 2017

Attachments

LIST OF APPENDICES

Appendix 1: TERRA-Aleutian Route Map

Appendix 2: Akutan Landing Point Information

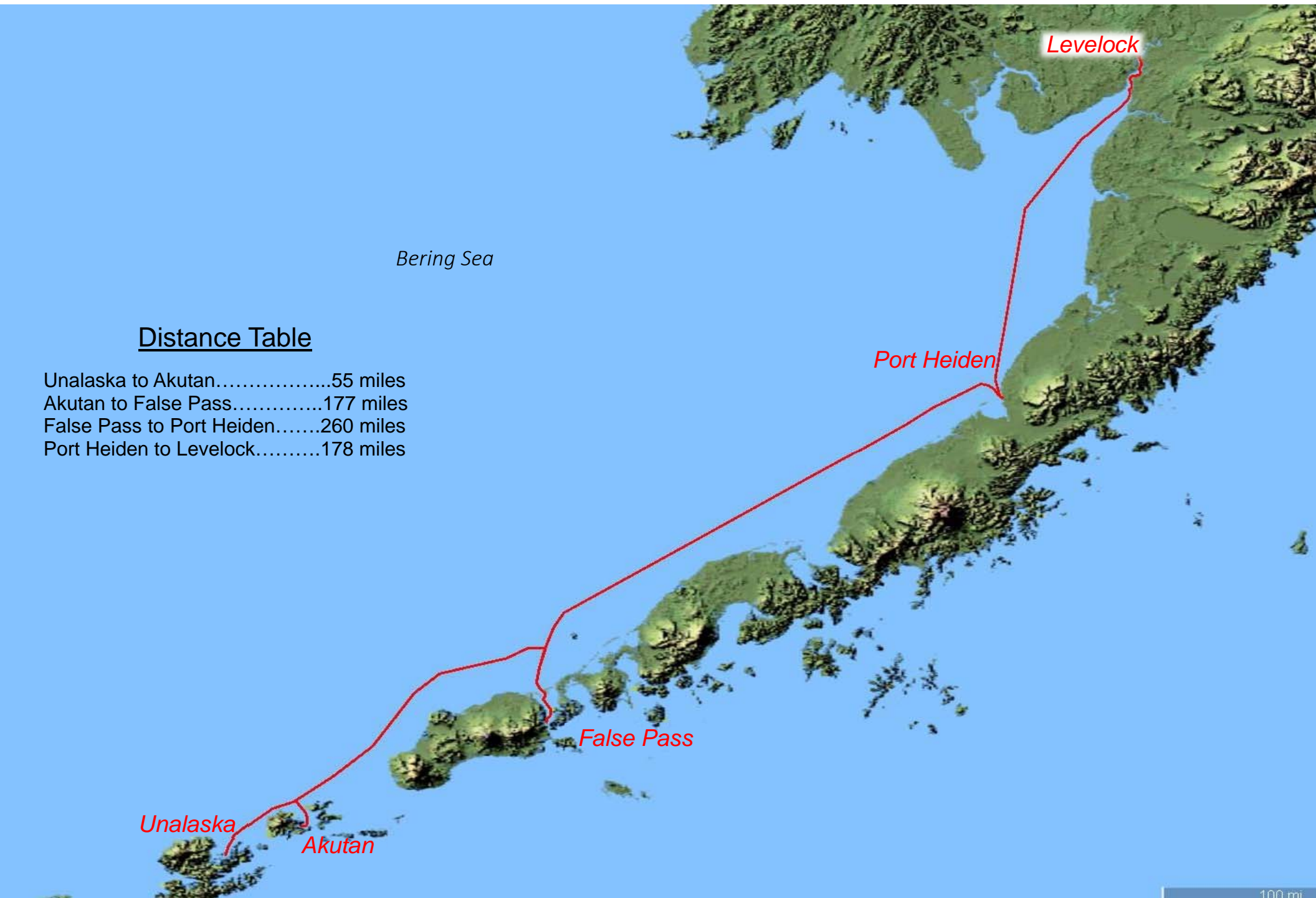
Appendix 3: Dutch Harbor Landing Point Information

Appendix 4: False Pass Landing Point Information

Appendix 5: Levelock Landing Point Information

Appendix 6: Port Heiden Landing Point Information

**APPENDIX 1:
TERRA-ALEUTIAN ROUTE MAP**



**APPENDIX 2:
AKUTAN LANDING POINT INFORMATION**

Beach manhole geographic coordinates: 54° 07' 58.81"N 165° 46' 33.79"W

CLS/equipment shelter geographic coordinates: 54° 08' 0.85"N 165° 46' 36.27"W



**APPENDIX 3:
DUTCH HARBOR LANDING POINT INFORMATION**

Beach manhole geographic coordinates: 53° 54' 54.58"N 166° 30' 10.91"W

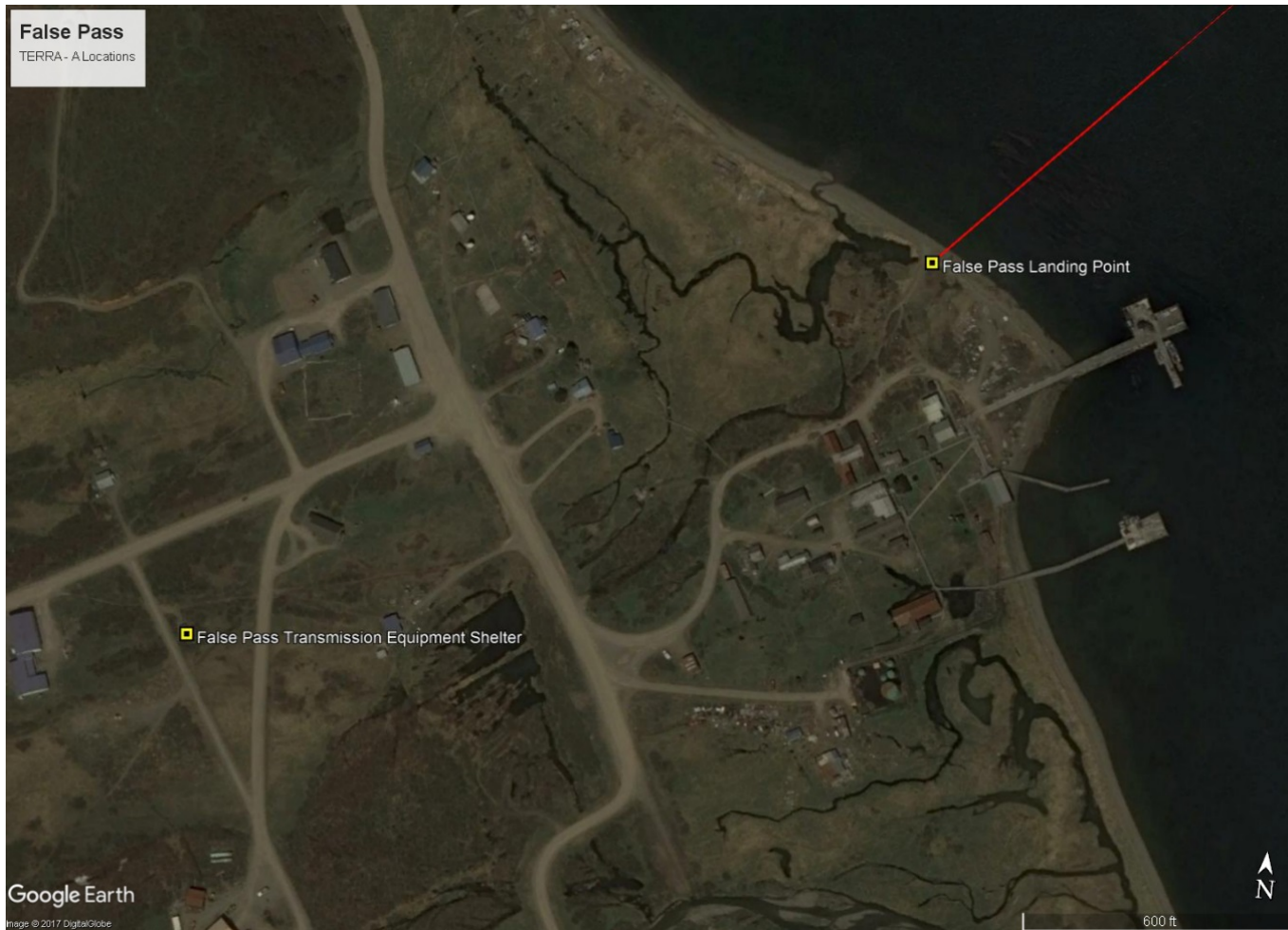
CLS/equipment shelter geographic coordinates: 53° 53' 51.46"N 166° 43' 20.11"W



**APPENDIX 4:
FALSE PASS LANDING POINT INFORMATION**

Beach manhole geographic coordinates: 54° 51' 21.42"N 163° 24' 33.89"W

CLS/equipment shelter geographic coordinates: 54° 51' 11.88"N 163° 25' 0.19"W



**APPENDIX 5:
LEVELOCK LANDING POINT INFORMATION**

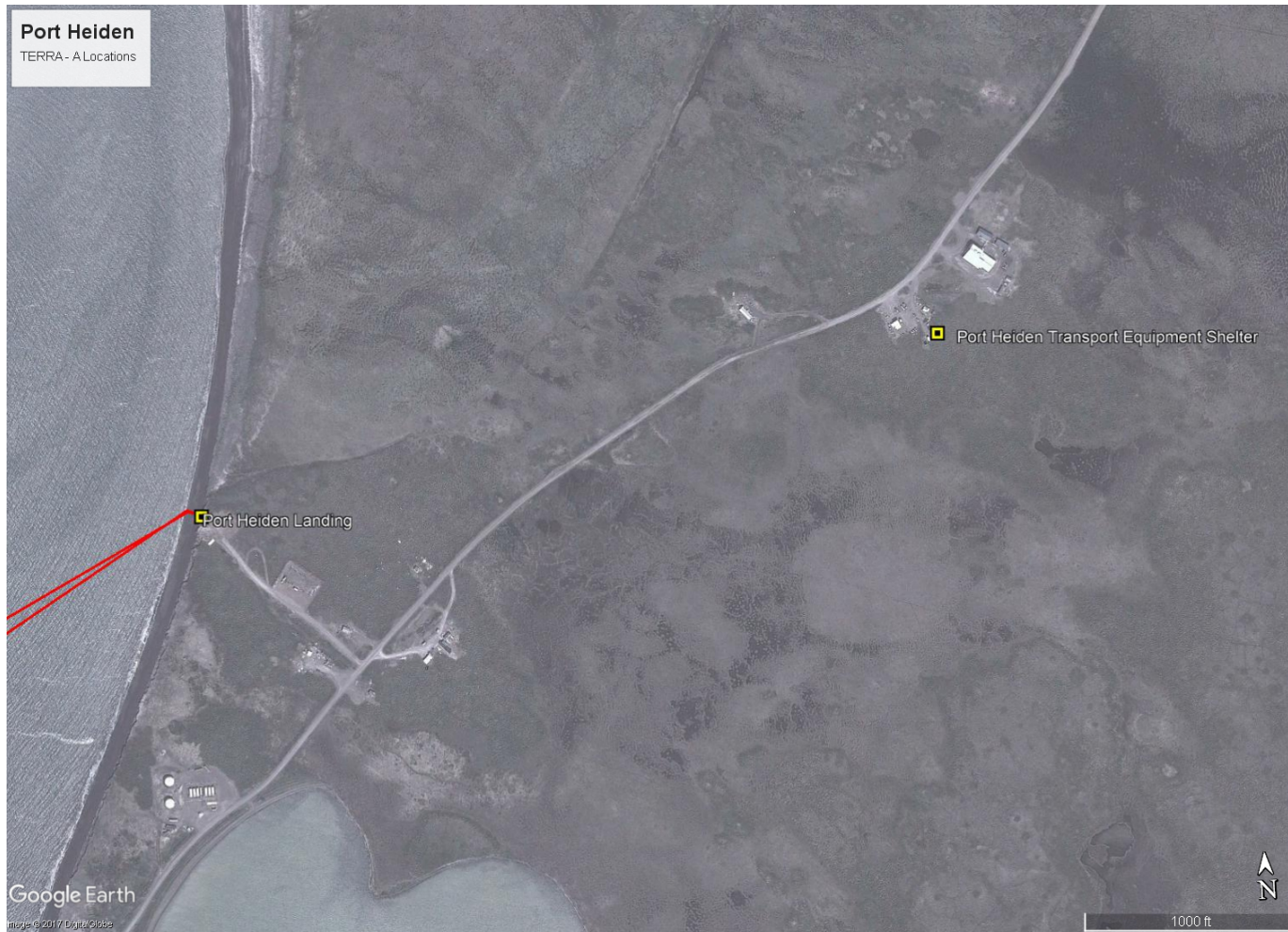
Beach manhole geographic coordinates: 59° 6' 13.07"N 156° 51' 58.26"W

CLS/equipment shelter geographic coordinates: 59° 06' 25.82"N 156° 52' 16.92"W



**APPENDIX 6:
PORT HEIDEN LANDING POINT INFORMATION**

Beach manhole geographic coordinates: 56° 55' 17.00"N 158° 40' 47.95"W
CLS/equipment shelter geographic coordinates: 56° 55' 23.17"N 158° 39' 45.03"W



CERTIFICATE OF SERVICE

I, Kent Bressie, hereby certify that consistent with 47 C.F.R. § 1.767(j), I have served copies of the foregoing application for a cable landing license for the TERRA-Aleutian cable system, by hand delivery or electronic mail this 31st day of October, 2017, to the following:

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