

January 16, 2018

**VIA ELECTRONIC FILING**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

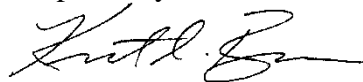
*Re: Notice of Ex Parte Presentation, File No. SCL-LIC-20171031-00024*

Dear Ms. Dortch:

Pursuant to 47 C.F.R. § 1.1206(b)(1), we notify the Commission of an *ex parte* presentation in the above-referenced proceeding. On January 11, 2018, Christopher Nieman and Tim Stelzig of GCI Communications Corp. ("GCICC") and Kent Bressie and Colleen Sechrest of Harris, Wiltshire & Grannis LLP, counsel for GCICC, met with Thomas Sullivan, Troy Tanner, Kathleen Collins, David Krech and Jodi Cooper of the Commission's International Bureau to discuss GCICC's cable landing license application for the proposed TERRA-Aleutian submarine cable system.

During this meeting, we discussed the points identified in the attached presentation. We also discussed the requests of the Departments of Homeland Security and Justice to remove the application from streamlined processing. GCICC noted that the requests fall outside the framework established in the Commission's 1997 *Foreign Participation Order*, as GCICC has no material foreign ownership and will not have any material ownership following the consummation of the GCI-Liberty transaction in the very near future. GCICC noted that the Commission should seek to ensure fairness, non-discrimination, and transparency in its treatment of cable landing license applicants such as GCICC lacking material foreign ownership in order to ensure timely infrastructure development.

Respectfully submitted,



Kent Bressie  
Colleen Sechrest  
*Counsel for GCI Communications Corp.*

Attachment

cc: Thomas Sullivan  
Troy Tanner  
Kathleen Collins  
David Krech  
Jodi Cooper



# **TERRA-ALEUTIAN CABLE SYSTEM**

## **FCC Briefing**

**January 11, 2018**



## Agenda

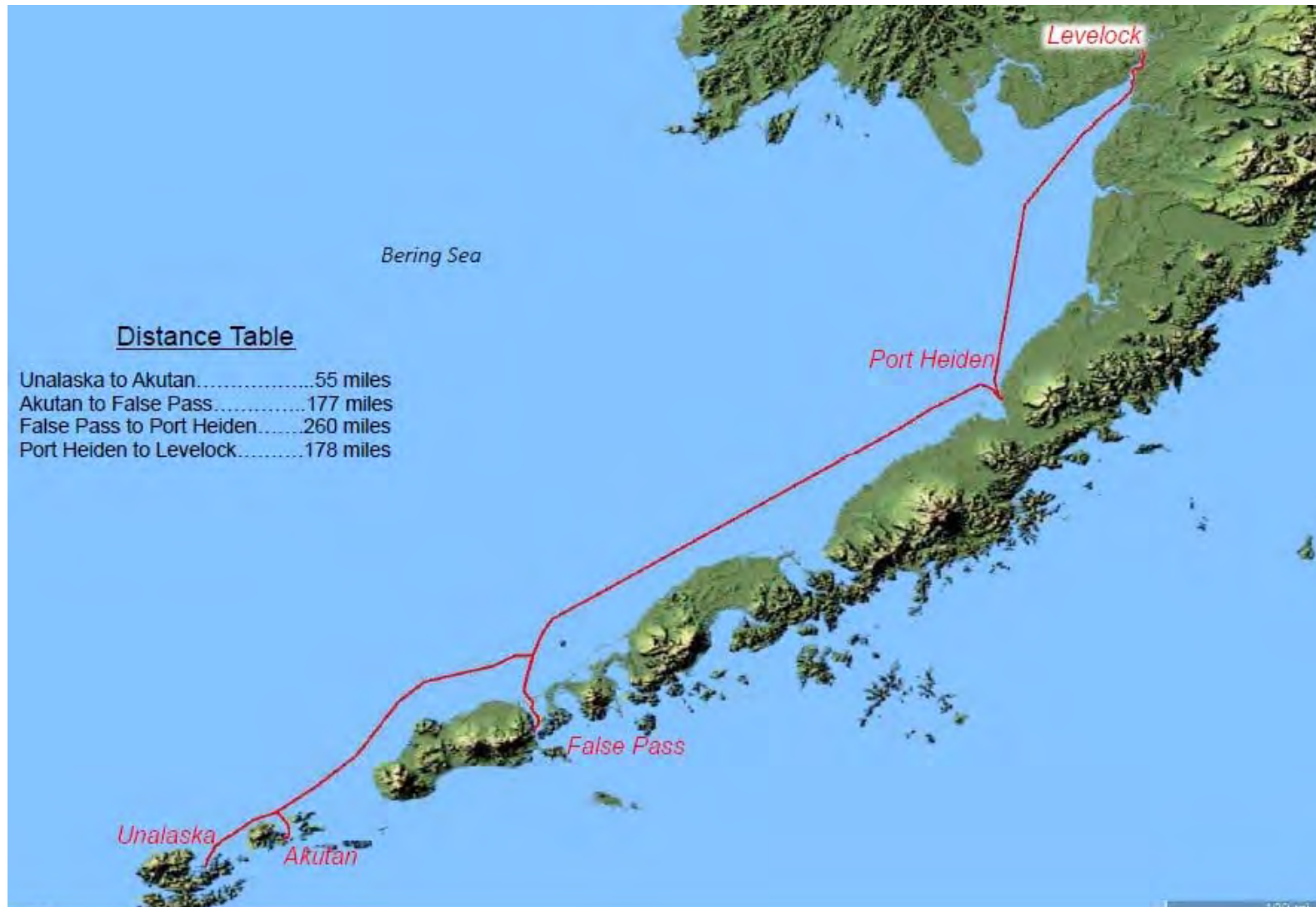
- Overview
- TERRA-Aleutian network map and system configuration
- Service offerings
- Ownership and control of TERRA-Aleutian Cable System: GCI-Liberty Transaction
- Public interest benefits
- Non-common-carrier status
- Streamlining
- DHS and DOJ requests
- Timing considerations
- Point of contact



## Overview

- The TERRA-Aleutian Cable System will be a high capacity digital fiber-optic system with four segments connecting five communities in Southwest Alaska and the Aleutian Islands: Dutch Harbor, Akutan, False Pass, Levelock, and Port Heiden. It will have:
  - a total length of 670 miles; and
  - 12 fiber pairs with a current design capacity of 800 Gbps per fiber.
- TERRA-Aleutian will operate on a non-common-carrier basis.
- The application qualifies for streamlined processing.
- TERRA-Aleutian will be owned and operated by GCI Communications Corp. (“GCICC”). GCICC is owned by U.S. entities and individuals and will continue to be upon closing of the pending transaction with GCI Liberty, Inc.
- The TERRA-Aleutian Cable System is envisioned to enter into commercial service in the first quarter of 2020, with initial construction in Spring 2018.

## TERRA-Aleutian network map





## Services offerings

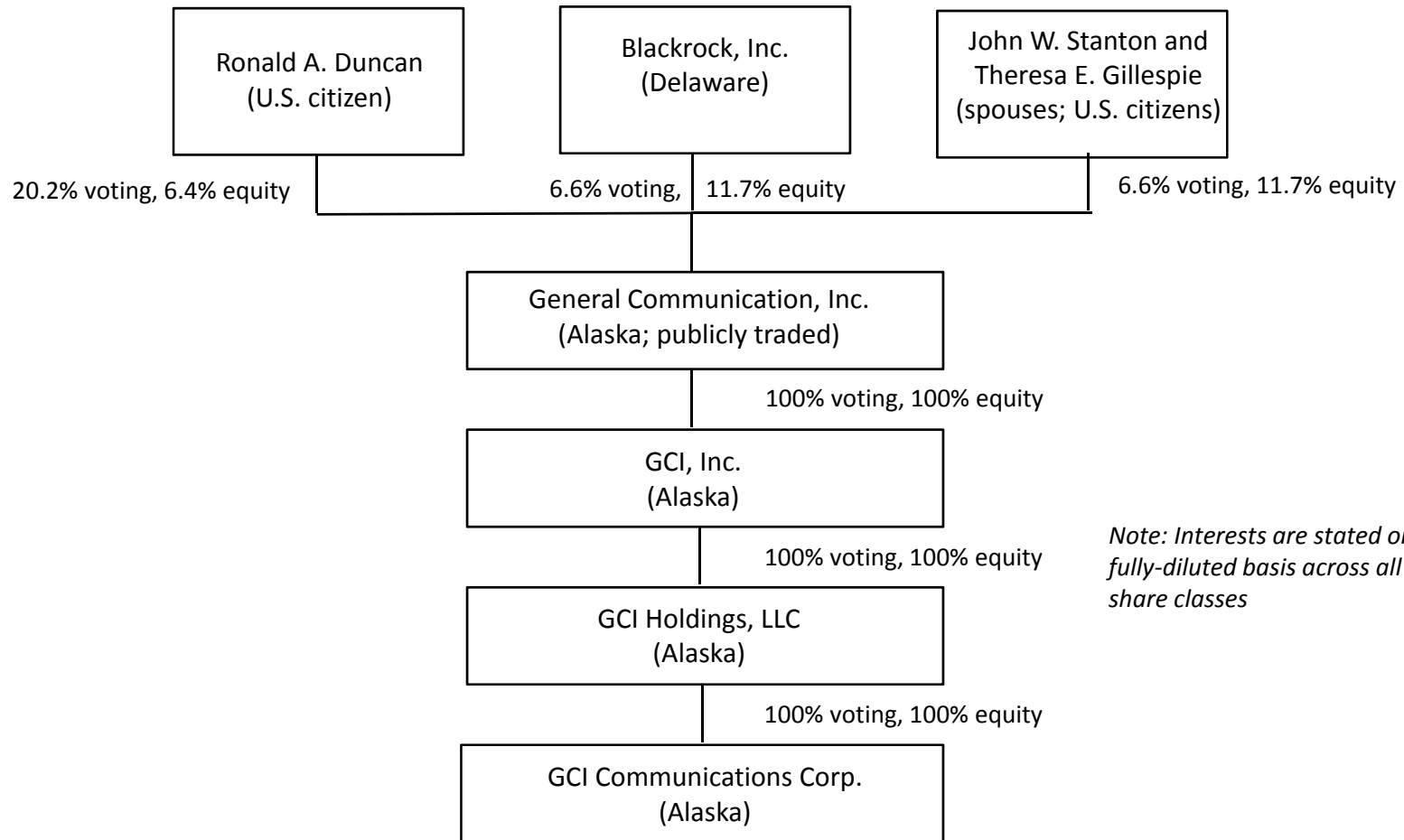
- GCICC will also use TERRA-Aleutian capacity as an input for other services offered to retail, enterprise and government customers in Alaska.
- GCICC will sell bulk capacity to particular carrier, enterprise and government customers.



## TERRA-Aleutian ownership

- GCICC’s current ownership and that expected following consummation of the GCI-Liberty transaction involves almost ***exclusively U.S. ownership and no foreign owner*** with a 10-percent-or-greater equity or voting interest.
  - GCICC is a wholly-owned, indirect subsidiary of General Communications, Inc., (“GCI Parent”), a publicly traded company whose 10-percent or greater shareholders are all U.S. citizens. See slide 7.
  - The FCC has recently granted consent to transfer control of GCI Holdings, Inc. to GCI Liberty, Inc. (“GCI Liberty”).
    - GCI Liberty, Inc. will hold a 100-percent indirect interest in GCICC. See Slide 9.
    - Dr. John C. Malone, a U.S. citizen, is expected to hold a 27.4-percent voting a 4-percent equity interest in GCI Liberty, Inc. upon closing. See Slide 8.

# GCICC ownership prior to consummation of GCI-Liberty transaction

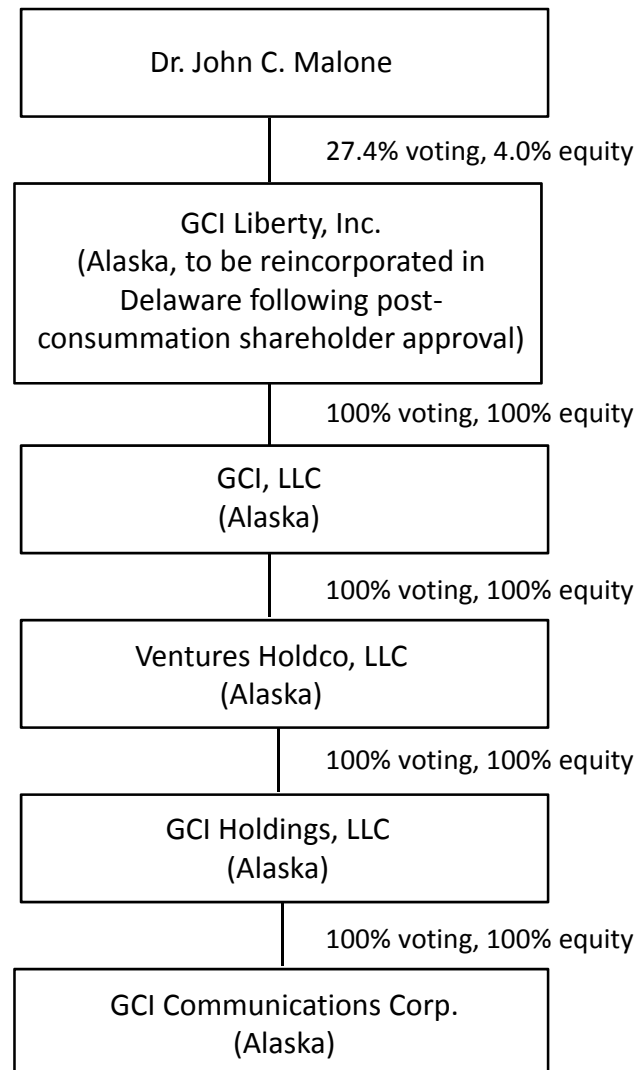


*Note: Interests are stated on a fully-diluted basis across all share classes*





## GCICC ownership following consummation of GCI-Liberty transaction





## Public interest benefits

- **Increased capacity.** TERRA-Aleutian will provide much needed capacity in a region that is capacity-constrained and lacking in diverse and redundant infrastructure.
- **Competition**
  - TERRA-Aleutian will allow GCICC to continue to compete vigorously with the incumbent, Alaska Communications Group, Inc. (“ACS”), in the intra-Alaska and Alaska-Lower 48 markets.
  - TERRA-Aleutian will allow GCICC to compete with existing providers’ facilities in underserved areas, including satellite service providers such as ACS, TelAlaska, Bristol Bay Telecom, AT&T, DSL, and HughesNet.



## Non-common carrier regulatory status

- GCICC will operate TERRA-Aleutian on a non-common carrier basis.
- GCICC will not sell capacity indifferently to the public, but will provide bulk capacity to particular carrier, enterprise, and government users pursuant to individually-negotiated infeasible rights of use (IRUs) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular purchaser.
- GCICC will compete vigorously with existing providers' facilities, including existing satellite service providers. The FCC has previously found the existence of intermodal competition sufficient to justify non-common carrier status for a submarine cable system.
- GCICC will compete vigorously with the incumbent, ACS, in both the intra-Alaska and Alaska-Lower 48 markets.



## No new foreign affiliations

- GCICC is currently not affiliated with any foreign carriers.
- The construction and operation of TERRA-Aleutian will not give rise to any new foreign affiliations.
- Upon consummation of the GCI-Liberty transaction, GCICC will be affiliated with non-dominant foreign carriers in the Caribbean, Europe, Central America, South America, and Seychelles that are owned in whole or in part by Liberty Global and other companies in which Dr. John Malone has invested.
- The Liberty-related affiliations were disclosed and reviewed in the GCI-Liberty transaction review proceeding.



## Streamlined processing

- GCICC's application qualifies for streamlined processing pursuant to:
  - 47 C.F.R. § 1.767(k)(1), as GCICC is not, and is not affiliated with, a foreign carrier in any foreign country where the TERRA-Aleutian lands, as the system has only domestic landing points.
  - 47 C.F.R. § 1.767(k)(4), as GCICC 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, as 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.



## **TERRA-Aleutian presents no new foreign ownership issues**

- The TERRA-Aleutian application:
  - Does not involve a foreign applicant or foreign carrier entry into the U.S. market
  - Does not involve an applicant that has existing foreign ownership or foreign affiliations
  - Raises no new affiliation issues relating to the GCI-Liberty transaction, all of which were adjudicated in that separate proceeding, consummation of which will add no reportable direct or indirect foreign ownership.



## DHS and DOJ requests

- On December 20, 2017, the Department of Homeland Security (“DHS”) filed a letter with the FCC asking that it remove the TERRA-Aleutian application from streamlined processing on the grounds that it needed additional time to complete its national security review.
- On January 10, 2018, the Department of Justice (“DOJ”) filed a “me-too” letter asking the FCC to remove the application from streamlined processing.



## Timing considerations

- TERRA-Aleutian system is currently envisioned to enter into commercial service in the first quarter of 2020.
- Shore-end work would start in the spring of 2018.
- GCICC seeks a cable landing license no later than May, 2018 to facilitate a timely start to construction.





## Recent cable landing license application review timelines

| System       | Date FCC Application Filed | Date of Team Telecom Clearance | Date FCC License Granted | Total Licensing Time |
|--------------|----------------------------|--------------------------------|--------------------------|----------------------|
| PLCN         | Apr. 21, 2017              | pending                        | pending                  | [266 days to date]   |
| Hawaiki      | Sept. 6, 2016              | Dec. 15, 2017 (LOA)            | Dec. 20, 2017            | 471 days             |
| Marea        | May 26, 2016               | Apr. 28, 2017 (LOA)            | May 2, 2017              | 341 days             |
| BRUSA        | Mar. 30, 2016              | Jul. 30, 2017 (LOA)            | Aug. 4, 2017             | 493 days             |
| Quintillion  | Mar. 25, 2016              | Mar. 24, 2017 (LOA)            | Mar. 27, 2017            | 367 days             |
| Atisa        | Mar. 14, 2016              | Feb. 16, 2017 (LOA)            | Feb. 17, 2017            | 340 days             |
| Seabras-1    | Jan. 15, 2016              | Nov. 7, 2016 (LOA)             | Nov. 10, 2016            | 300 days             |
| NCP          | Nov. 3, 2015               | Jan. 12, 2017 (NSA)            | Jan. 12, 2017            | 436 days             |
| FASTER       | June 26, 2015              | May 26, 2016 (NSA)             | May 31, 2016             | 340 days             |
| SEA-US       | June 26, 2015              | Jan. 12, 2017 (NSA)            | Jan. 12, 2017            | 566 days             |
| Monet        | Apr. 8, 2015               | Dec. 6, 2016, (LOA)            | Dec. 9, 2016             | 613 days             |
| AEConnect    | Feb. 5, 2014               | Oct. 1, 2014 (LOA)             | Oct. 21, 2014            | 258 days             |
| <u>viNGN</u> | <u>Dec. 21, 2012</u>       | <u>none</u>                    | <u>Feb. 25, 2013</u>     | <u>67 days</u>       |

## Principal point of contact

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