

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of

OLD HARBOR NATIVE CORPORATION,
Transferor,

GCI COMMUNICATION CORP.,
Transferee,

KODIAK-KENAI FIBER LINK, INC.,
Licensee,

Application for Consent to Transfer Control of
a Private Fiber-Optic Cable System
Connecting Anchorage, Homer, Kenai,
Kodiak Island, and Seward, Alaska,

THE KODIAK-KENAI FIBER LINK

File No. SCL-T/C-2016-_____

**JOINT APPLICATION FOR CONSENT TO TRANSFER CONTROL—
STREAMLINED PROCESSING REQUESTED**

Old Harbor Native Corporation (“Old Harbor,” FRN 0023981632) and GCI Communication Corp. (“GCIC,” FRN 0001568880, and together with Old Harbor, the “Applicants”), hereby apply for consent to transfer control of the cable landing license for the Kodiak-Kenai Fiber Link submarine cable system (the “KKFL System”), for which Kodiak Kenai Fiber Link, Inc. (“KKFL,” FRN 0018916742) is the sole licensee. The KKFL System is a private fiber-optic undersea cable network connecting Anchorage, Homer, Kenai, Kodiak Island, and Seward, Alaska. It entered into commercial service in January 2007, providing much-

needed connectivity within Alaska. On July 29, 2016, Old Harbor, GCIC, and Ouzinkie Native Corporation (“Ouzinkie”) entered into an agreement in which GCIC will acquire all of the outstanding member interests of KKFL’s parent company, Kodiak-Kenai Cable Company, LLC (“KKCC”) and thereby acquire control of the KKFL System (the “Proposed Transaction”), as described in further detail in part I below.

The Applicants request streamlined processing pursuant to Section 1.767(k)(1) of the Commission’s rules, as GCI is not affiliated with any foreign carrier, much less any foreign carrier in a landing country (as the KKFL System is a domestic system). The application raises no competition or public-interest concerns, and GCIC has no material direct or indirect foreign ownership. An expeditious grant of this application will advance the public interest by ensuring the continuing ownership, operation, and maintenance of the KKFL System by GCIC—an experienced submarine cable operator with expert personnel and financial resources—and by providing operational efficiencies for the KKFL System (for which GCIC already provides outsourced operations and maintenance services) and for GCIC itself (as a significant capacity customer of the KKFL System).

I. BACKGROUND

A. Parties to the Proposed Transaction

Old Harbor: Old Harbor is the transferor in the Proposed Transaction. Old Harbor owns 90 percent of KKCC’s member interests and thereby controls both KKFL and the KKFL System. Old Harbor is a Native village corporation incorporated in 1973 under the terms of the Alaska Native Claims Settlement Act (“ANCSA”) and maintains its principal place of business in Old Harbor. It manages its assets for the benefit of its shareholders and works to protect the culture and traditions of the Alutiiq communities on Kodiak Island.

Ouzinkie: Ouzinkie owns 10 percent of KKCC’s member interests. Ouzinkie is a Native village corporation incorporated in 1973 under ANCSA and maintains its principal place of business in Ouzinkie. It manages its assets for the benefit of its shareholders and works to protect the culture and traditions of the Alutiiq communities on Spruce Island, Afognak Island, and Kodiak Island.

GCIC: GCIC is the principal operating subsidiary of General Communication, Inc. (“GCI Parent”), the largest (by revenue) Alaska-based communications provider. GCIC provides a full range of wireless, data, video, voice, and managed services to residential customers, businesses, governmental entities, and educational and medical institutions primarily in Alaska under the GCI brand. GCIC is an Alaska corporation with its principal place of business in Anchorage. GCIC and its affiliates own and operate a number of existing submarine cables systems, including: Alaska United East, Alaska United West, the Cook Inlet Segment of TERRA-SW, and SEAFast. GCIC currently holds significant capacity on the KKFL System through indefeasible rights of use (“IRUs”) and currently provides operations and maintenance services for the KKFL System. GCIC is a wholly-owned, indirect subsidiary of GCI Parent.

KKFL: KKFL is the sole cable landing licensee for the KKFL System. It offers wholesale capacity services on the routes served by the KKFL System. It is an Alaska corporation with its principal place of business in Anchorage. KKFL is a wholly-owned subsidiary of KKCC.

KKCC: KKCC is a holding company for the KKFL System’s submarine telecommunications business. It is an Alaska limited-liability company with its principal place of business in Anchorage. KKCC owns 100 percent of KKFL’s shares.

B. Overview of the Proposed Transaction

On July 29, 2016, Old Harbor, Ouzinkie, and GCIC entered into a stock purchase agreement whereby GCIC will acquire all of KKCC's outstanding member interests and, upon closing, will indirectly own and control the KKFL System. KKCC and KKFL will continue to exist as direct and indirect subsidiaries, respectively, of GCIC following the consummation of the Proposed Transaction. Subject to regulatory and certain other customary approvals, the Applicants seek to consummate the Proposed Transaction no later than late-October 2016.

II. COMPLIANCE WITH SECTION 1.767

In accordance with Section 1.767 of the Commission's rules and Executive Order No. 10,530, the Applicants submit the following information in support of their application:

(1) Applicants' Names, Addresses, and Telephone Numbers¹

The names, addresses, and telephone numbers of the Applicants are:

<u>Transferor</u>	<u>Transferee</u>	<u>Licensee</u>
OLD HARBOR NATIVE CORPORATION 2702 Denali Street Suite 100 Anchorage, Alaska 99503 +1 907 278 6100	GENERAL COMMUNICATION, INC. 2550 Denali Street Suite 1000 Anchorage, Alaska 99503 +1 907 265 5600	KODIAK-KENAI FIBER LINK, INC. 2702 Denali Street Suite 100 Anchorage, Alaska 99503 +1 907 278 6100

(2) Applicants' Places of Incorporation²

Old Harbor is an Alaska Native corporation. GCI is an Alaska corporation. KKFL is an Alaska corporation.

¹ See 47 C.F.R. § 1.767(a)(1).

² See *id.*, § 1.767(a)(2).

(3) **Contact Information**³

The Commission should address correspondence regarding this application to:

Old Harbor and KKFL

Christopher J. Slottee
Vice-President/General Counsel
OLD HARBOR NATIVE CORPORATION
2702 Denali Street, Suite 100
Anchorage, Alaska 99503
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cslottee@oldharbor.org

GCIC

Chris Nierman
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Kent D. Bressie
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1919 M Street, N.W., Suite 800
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+1 202 730 1337 tel
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(4) **System Description**⁴

The KKFL System description has not changed materially since the original application and subsequent modification application were filed with and granted by the Commission.⁵

(5) **Landing Points**⁶

The KKFL System's landing points have not changed materially since the original application and subsequent modification application were filed with and granted by the Commission.⁷

³ See *id.*, § 1.767(a)(3).

⁴ See *id.*, § 1.767(a)(4).

⁵ See Cable Landing License Application of Kodiak Kenai Fiber Link, Attachment 1, at 2, File No. SCL-LIC-20060413-00004 (Apr. 13, 2006) ("KKFL System Application"); *Actions Taken Under the Cable Landing License Act*, Public Notice, 21 FCC Rcd. 6380, 6381 (2006) ("KKFL System License").

⁶ See 47 C.F.R. § 1.767(a)(5).

(6) **Regulatory Status**⁸

The facts supporting the KKFL System's non-common carrier status of have not changed materially since the original application was filed with and granted by the Commission.⁹

(7) **Cable Ownership Information**¹⁰

The KKFL System's ownership has not changed materially since the original application was filed with and granted by the Commission and a later *pro forma* assignment (from KKCC to KKFL) of the KKFL System License was consummated.¹¹

(8) **Certification Regarding Ownership and Interlocking Directorates**¹²

By the signature below, GCIC certifies to the following. Upon closing, KKFL will have the following 10-percent-or-greater direct or indirect shareholders:

Kodiak-Kenai Cable Company, LLC ("KKCC")

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

Citizenship: Alaska

Principal Business: telecommunications

Relationship: KKCC holds a 100-percent voting and equity interest in KKFL.

GCI Communication Corp. ("GCIC")

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

Citizenship: Alaska

Principal Business: telecommunications

Relationship: Upon consummation of the Proposed Transaction, GCIC will hold a 100-percent voting and equity interest in KKCC.

⁷ See KKFL System Application at 2-4; KKFL System License, 21 FCC Rcd. at 6381.

⁸ See 47 C.F.R. § 1.767(a)(6).

⁹ See KKFL System Application at 5-6; KKFL System License, 21 FCC Rcd. at 6381.

¹⁰ See 47 C.F.R. § 1.767(a)(7).

¹¹ See KKFL System Application at 6; KKFL System License, 21 FCC Rcd. at 6381; *Actions Taken Under the Cable Landing License Act*, Public Notice, 24 FCC Rcd. 12,423 (2009) (consent to *pro forma* assignment).

¹² See 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(h).

GCI Holdings, Inc. (“GCI Holdings”)

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

Citizenship: Alaska

Principal Business: telecommunications

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

GCI, Inc.

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

Citizenship: 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

Citizenship: 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, 7.5 percent of GCI Parent’s outstanding Class A common shares and 45.5 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 25.3-percent voting interest and a 10.6-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 5.85 percent of GCI Parent’s outstanding Class A common shares and 37.2 percent of GCI Parent’s outstanding Class B common shares. On a fully-diluted basis across all share classes, this gives Mr. Duncan a 20.8-percent voting interest and an 8.8-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 11.1 percent of GCI’s outstanding Class A common shares. On a fully-diluted basis across all share classes, this gives BlackRock a 5.9-percent voting interest and a 10.2-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.

(9) **Certification Regarding Foreign Carrier Status and Foreign Affiliations¹³**

By the signature below, GCIC 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.

(10) **Certification Regarding Destination Markets¹⁴**

By the signature below, GCIC certifies to the following: (1) it is not a foreign carrier in any foreign country, much less a foreign destination market for the KKFL System (of which there is none, as it is a domestic system); (2) upon the consummation of the Proposed Transaction, it will not control a foreign carrier in any foreign country, much less a foreign

¹³ See *id.*, §§ 1.767(a)(8)(ii).

¹⁴ See *id.*, §§ 1.767(a)(8)(iii).

destination market for the KKFL System (of which there is none); (3) no entity controlling a foreign carrier in any foreign country, much less in a foreign destination market for the KKFL System (of which there is none) owns more than 25 percent of GCIC or controls GCIC; and (4) no grouping of two or more foreign carriers (or parties that control foreign carriers) owns, in aggregate, more than 25 percent of GCIC 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 on the KKFL System in the United States.

(11) Certification Regarding WTO Status, Market Power, and the Effective Competitive Opportunities Test¹⁵

No response is required, as no country was identified in response to 47 C.F.R. § 1.767(a)(8)(iii).

(12) Certification Regarding the Anti-Drug Abuse Act of 1988¹⁶

By the signature below, GCIC certifies that no party to this application is subject to a denial of federal benefits, that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(13) Certification Regarding Routine Conditions Set Forth in Section 1.767(g) of the Commission's Rules¹⁷

By the signature below, GCIC certifies that it accepts and will abide by the routine conditions specified in Section 1.767(g) of the Commission's rules.

¹⁵ See *id.*, § 1.767(a)(8).

¹⁶ See 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(o).

¹⁷ See *id.*, §§ 1.767(a)(9), (g).

III. CERTIFICATION REGARDING SERVICE TO EXECUTIVE BRANCH AGENCIES

Pursuant to Section 1.767(j) of the Commission's rules,¹⁸ the Applicants have sent a complete copy of this application to the U.S. Department of State, the U.S. Department of Commerce, and the Defense Information Systems Agency. Counsel for GCIC has certified such service in the certificate of service attached to this application.¹⁹

IV. REQUEST FOR STREAMLINED PROCESSING

The Applicants request streamlined processing pursuant to Section 1.767(k)(1) of the Commission's rules, as GCIC is not affiliated with any foreign carriers, much less a foreign carrier in a landing country. (The KKFL System is a purely domestic system.)²⁰ The application raises no competition or public-interest concerns that would merit consideration outside the Commission's streamlined review process.

An expeditious grant of this application will advance the public interest. First, it will ensure the continuing ownership, operation, and maintenance of the KKFL System on a going-forward basis by GCIC, an experienced submarine cable operator with expert personnel and financial resources. Second, it will provide operational efficiencies for the KKFL System (for which GCIC already provides outsourced operations and maintenance services) and for GCIC itself (as a significant capacity customer of the KKFL System).

¹⁸ See *id.*, § 1.767(j).

¹⁹ The Applicants have initiated discussions with national security and law enforcement agencies to address any potential concerns those agencies may have with respect to the Proposed Transaction.

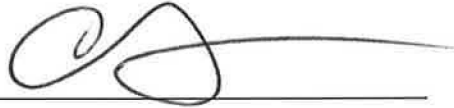
²⁰ See *id.*, § 1.767(k)(2).

CONCLUSION

For the foregoing reasons, the Commission should expeditiously grant this transfer-of-control application pursuant to streamlined processing.

Respectfully submitted,

OLD HARBOR NATIVE CORPORATION

A handwritten signature in black ink, appearing to read "Chris Slottee", written over a horizontal line.

Christopher J. Slottee
Vice-President/General Counsel
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2702 Denali Street, Suite 100
Anchorage, Alaska 99503
+1 907 278 6100
cslottee@oldharbor.org

KODIAK KENAI FIBER LINK, INC.

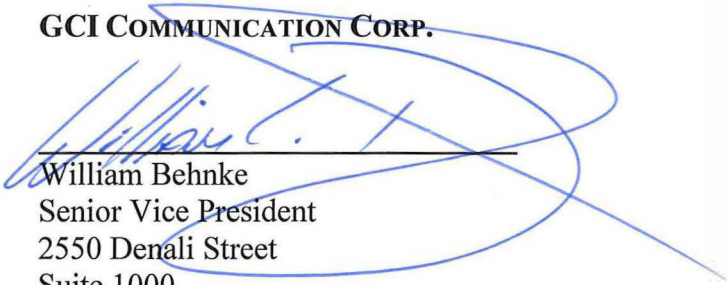
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Carl H. Marrs
President and Director
Kodiak Kenai Fiber Link, Inc.
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GCI COMMUNICATION CORP.

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Counsel for GCI Communication Corp.



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2 September 2016

Attachments

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 request for consent to transfer control of the cable landing license for the Kodiak-Kenai Fiber Link by hand delivery or electronic mail this 2nd day of September, 2016, to the following:

Ambassador Daniel Sepulveda
U.S. Coordinator and Deputy Assistant Secretary of State
Int'l Communications & Information Policy
Bureau of Economic and Business Affairs
U.S. DEPARTMENT OF STATE
EB/CIP : Room 4634
2201 C Street, N.W.
Washington, D.C. 20520-4634

Kathy Smith
Chief Counsel
U.S. DEPARTMENT OF COMMERCE/NTIA
14th Street and Constitution Avenue, N.W.
Room 4713
Washington, D.C. 20230

Robert Gorman
General Counsel
DEFENSE INFORMATION SYSTEMS AGENCY
6910 Cooper Avenue
Fort Meade, Maryland 20755

A handwritten signature in dark ink, appearing to read "Kent Bressie", is written over a horizontal line.

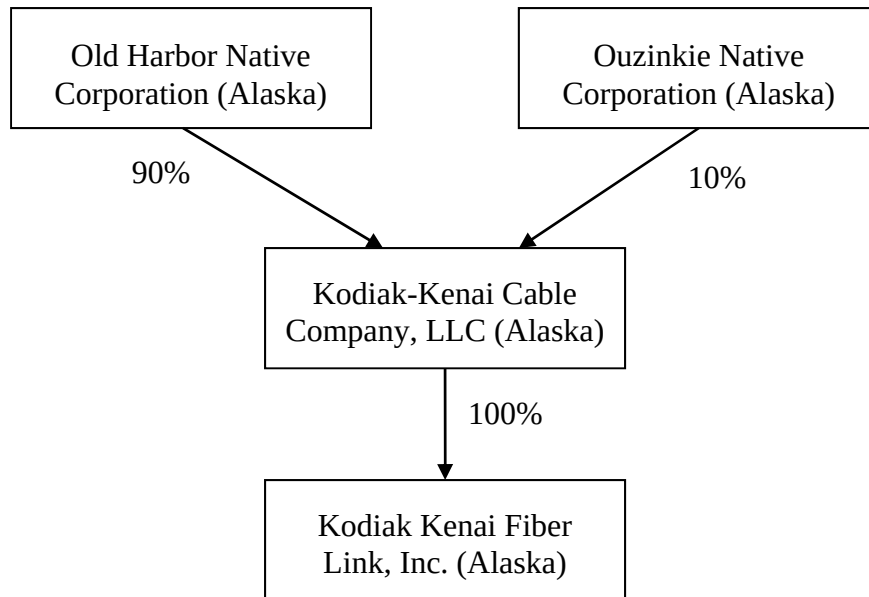
Kent Bressie

LIST OF EXHIBITS

Exhibit A: Current Ownership Structure of KKFL

Exhibit B: Post-Consummation Ownership Structure of KKFL

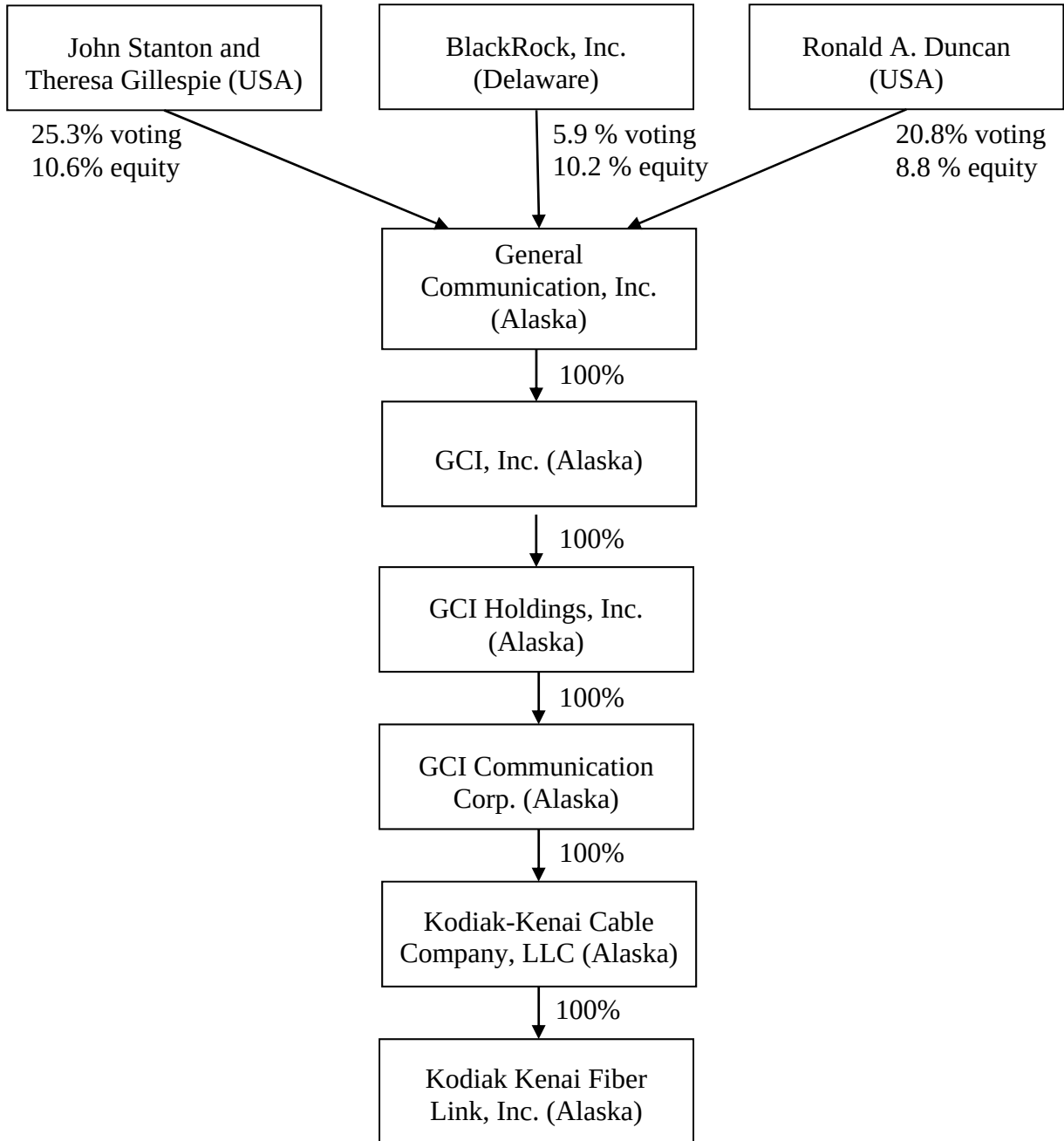
EXHIBIT A:
Current Ownership Structure of KKFL



Note: Unless otherwise noted, each percentage reflects both an equity and voting interest.

EXHIBIT B:

Post-Consummation Ownership Structure of KKFL



Note: Unless otherwise noted, each percentage reflects both an equity and voting interest.