



PUBLIC NOTICE

Federal Communications Commission
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DA 17-492

Released: May 19, 2017

APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF THE SUBSIDIARIES OF GENERAL COMMUNICATION, INC. TO GCI LIBERTY, INC.

PLEADING CYCLE ESTABLISHED

WC Docket No. 17-114

Comments/Petitions Due: June 19, 2017

Reply Comments/Oppositions to Petitions Due: July 5, 2017

By this Public Notice, we seek comment from interested parties on a series of applications filed by General Communication, Inc. (GCI) and GCI Liberty, Inc. (GCI Liberty) (together, Applicants), pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended,¹ and the Cable Landing License Act of 1921,² seeking approval to transfer control of various licenses and authorizations held by operating subsidiaries of GCI to a reorganized GCI, named GCI Liberty.³ In addition, pursuant to this transaction, if approved, GCI's operating businesses will be combined within GCI Liberty with certain businesses and assets attributed to the Liberty Ventures Group of Liberty Interactive Corporation (Liberty Interactive).⁴

GCI, a publicly traded Alaska corporation, provides, through its operating subsidiaries, local exchange, exchange access, domestic intrastate and interstate interexchange, resold international telecommunications, commercial mobile radio and data, cable television, Internet access, broadcast television, wholesale submarine cable capacity, and other communications services throughout many areas of Alaska, between Alaska and the 48 contiguous states, and in certain other geographic areas.⁵ GCI wireline operating subsidiaries provide the following services in Alaska: Yukon Telephone Co.,

¹ 47 U.S.C. §§ 214, 310(d).

² 47 U.S.C. §§ 34-39. *See also* Exec. Ord. No. 10530, Sec. 5(a), reprinted as amended at 3 U.S.C. § 301 (delegating the President's authority under the Cable Landing License Act to the Commission).

³ Application for Consent to Transfer Control of International and Domestic Section 214 Authority, WC Docket No. 17-114 (filed May 1, 2017) (Lead Application). Applicants also filed applications to transfer or assign wireless authorizations, submarine cable landing license, earth station licenses, and broadcast licenses. Lead Application at Attach. 1.

⁴ The GCI Operating Subsidiaries providing domestic interstate service are identified in the Lead Application at 11. Applicants provide a list of anticipated GCI Liberty affiliates in the Lead Application at 13-15.

⁵ Lead Application, Exhibit (Public Interest Statement) at 2-5. Applicants provide a list of GCI's subsidiaries and their Commission authorizations and licenses as Attachment 1 to the Lead Application.

Inc., United Utilities, Inc., and United-KUC, Inc. each operate as incumbent local exchange carriers (LECs) and fixed eligible telecommunications carriers, serving about 60 villages in rural and remote areas of the state.⁶ GCI Communications Corp (GCICC) provides competitive LEC services; Unicom, Inc. provides interstate interexchange services; GCICC, Unicom, Inc., and GCI Fiber Communications Co. provide intrastate interexchange service; GCICC and United Utilities, Inc. provide pay telephone services; United Utilities, Inc., United2, LLC, Unicom, Inc., and GCICC provide interexchange and Internet access services.⁷

Liberty Interactive, a publicly traded Delaware corporation, owns interests in subsidiaries and other companies primarily in the video content and online commerce industries. Applicants state that Liberty Interactive's ownership interest in the subsidiaries and entities in which it has an equity ownership interest are currently attributed to two tracking stock groups: QVC Group and Liberty Ventures Group.⁸ Applicants state that Liberty Interactive holds a 23.5 percent non-voting equity interest in Liberty Broadband Communications (LBC), a publicly traded company that holds ownership interests in subsidiaries and other companies engaged in the mobile location technology and cable television/broadband industries.⁹ LBC holds a 25.01 percent voting interest in Charter Communications, Inc. (Charter).¹⁰

Applicants state that, pursuant to an April 4, 2017 Agreement and Plan of Reorganization, they will enter into a series of steps through which the former stockholders of Liberty Ventures Group of Liberty Interactive ultimately would acquire control of GCI through a reorganization in which certain Liberty Ventures Group assets and liabilities will be transferred to GCI in exchange for newly-issued shares of reclassified Class A common stock and reclassified Class B common stock of GCI (the Contribution).¹¹ In the course of reorganization, GCI will be renamed GCI Liberty and form a new Delaware corporation and wholly owned subsidiary.¹² After closing, GCI will merge into the new Delaware subsidiary and retain the name GCI Liberty.¹³ Existing GCI shareholders will receive 0.63 of a share of reclassified Class A common stock and 0.2 of a share of Series A preferred stock of GCI Liberty for each share of existing GCI Class A and Class B common stock.¹⁴ Following the Contribution, Liberty Interactive will redeem each share of Liberty Interactive's existing Liberty Ventures Group Series A common stock and Liberty Ventures Group Series B common stock for one share of reclassified Class A common stock and reclassified Class B common stock in GCI Liberty, respectively.¹⁵ Applicants explain

⁶ Public Interest Statement at 2-5.

⁷ *Id.* at 2-3.

⁸ *Id.* at 5.

⁹ *Id.* at 6.

¹⁰ *Id.* A chart showing the current ownership structure of Liberty Interactive is found at Attachment 4 to the Lead Application.

¹¹ Public Interest Statement at 6.

¹² *Id.*

¹³ *Id.* at 1-2.

¹⁴ *Id.* at 7.

¹⁵ *Id.* Applicants state that GCI Liberty will be a publicly traded holding company that will own GCI Holdings, GCI's existing ownership interests, and certain interests formerly attributed to the Liberty Ventures Group of Liberty Interactive. Applicants provide a list of former Liberty Ventures Group of Liberty Interactive entities that will be owned by GCI Liberty. *Id.* at 8.

(continued...)

that, upon consummation of the proposed transaction, the former holders of Liberty Interactive's Liberty Ventures Group common stock will hold approximately 77 percent of the undiluted equity interests and 84 percent of the undiluted voting interests of GCI Liberty, and the former shareholders of GCI will own approximately 23 percent of the undiluted equity and 16 percent of the undiluted voting interests in GCI Liberty.¹⁶ Applicants state that Dr. John C. Malone, a U.S. citizen, is the only anticipated ultimate holder of a 10 percent or greater interest in GCI Liberty (4 percent equity interest; 27.4 percent voting interest).¹⁷

Applicants assert that the transaction is in the public interest because it will result in GCI becoming financially more stable and will not result in any countervailing harms.¹⁸ Specifically, Applicants claim that the transaction will "serve the public interest by providing GCI's operating businesses with more stable access to financial markets and greater capacity to execute on GCI's current business plan."¹⁹ Applicants state that GCI is committed to expanding wireline and mobile wireless broadband service in Alaska through its Alaska Plan commitments, which are binding obligations to improve the availability of modern broadband service, both fixed and mobile, to remote areas of Alaska.²⁰ Overall, Applicants maintain that the transaction will improve GCI's ability to execute its plans to expand the geographic reach of its wireless, wireline, and high-speed Internet services in Alaska, helping to bridge the digital divide in some of the most isolated areas of the United States.²¹ Applicants state that while GCI Liberty will hold a non-controlling interest in Charter, they assert that there is no geographic overlap between the markets that the two companies serve.²²

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments and petitions **on or before June xx, 2017**, and reply comments or oppositions to petitions **on or before June xx, 2017**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing ECFS at <http://apps.fcc.gov/ecfs/>.

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¹⁶ *Id.* at 7.

¹⁷ *Id.* at 5.

¹⁸ *Id.* at 9, 11.

¹⁹ *Id.* at 10.

²⁰ *Id.* at 3, 11 (citing *Wireline Competition Bureau Authorizes Alaska Plan Support for 13 Alaska Rate-of-Return Companies*, Public Notice, 31 FCC Rcd 13347 (WCB 2016)); see *Wireless Telecommunications Bureau Approves Performance Plans of the Eight Wireless Providers that Elected to Participate in the Alaska Plan*, Public Notice, 31 FCC Rcd 13317 (WTB 2016).

²¹ *Id.* at 11.

²² *Id.* at 12.

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. Paper filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail.
 - All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. All envelopes and boxes must be disposed of before entering the building.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

In addition, please provide one copy of each pleading to each of the following:

- (1) Jim Bird, Office of General Counsel, transactionteam@fcc.gov;
- (2) Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- (3) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov;
- (4) Clay DeCell, International Bureau, clay.decell@fcc.gov;
- (5) Linda Ray, Wireless Telecommunications Bureau, linda.ray@fcc.gov;
- (6) Kathy Harris, Wireless Telecommunications Bureau, kathy.harris@fcc.gov;
- (7) Jeff Tobias, Wireless Telecommunications Bureau, jeff.tobias@fcc.gov;
- (8) Brendan Holland, Media Bureau, brendan.holland@fcc.gov.

The proceeding in this Notice shall be treated as a permit-but-disclose proceeding in accordance with the Commission’s *ex parte* rules.²³ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of data or arguments already reflected in the presenter’s written comments, memoranda, or other filings in the proceeding, then the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

²³ 47 CFR § 1.1200 *et seq.*

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²⁴ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; Sumita Mukhoty, International Bureau, (202) 418-7165; Clay DeCell, International Bureau, (202) 418-0803; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; Kathy Harris, Wireless Telecommunications Bureau, (202) 418-0609; Jeff Tobias, Wireless Telecommunications Bureau, (202) 418-1617; Brendan Holland, Media Bureau, (202) 418-2757.

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²⁴ See 47 CFR § 1.45(c).

Exhibit A

SECTION 214 AUTHORIZATIONS

A. International

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20170501-00091	GCI Communication Corp.	ITC-214-19960116-00009
ITC-T/C-20170501-00092	The Alaska Wireless Network, LLC	ITC-214-20120618-00162

B. Domestic

The Applicants filed an application to transfer control of domestic Section 214 authority in connection with the proposed transaction. Applicants do not request streamlined processing of this application.²⁵

CABLE LANDING LICENSES

<u>File Number</u>	<u>Licensee</u>	<u>License Number</u>
SCL-T/C-20170501-00013	GCI Communication Corp.	SCL-LIC-19961205-00615 SCL-LIC-19980602-00008 SCL-LIC-20100914-00021
SCL-T/C-20170501-00014	Unicom, Inc.	SCL-LIC-20020522-00047
SCL-T/C-20170501-00015	Kodiak Kenai Fiber Link, Inc.	SCL-LIC-20060413-00004
SCL-T/C-20170501-00016	United Utilities, Inc.	SCL-LIC-20071023-00019

SATELLITE EARTH STATION AUTHORIZATIONS

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-T/C-20170503-00502	GCI Communication Corp.	E000635
SES-T/C-20170503-00503	GCI Communication Corp.	E030192
SES-T/C-20170503-00510	GCI Communication Corp.	E020104
SES-T/C-20170503-00511	GCI Communication Corp.	E000627
SES-T/C-20170503-00512	GCI Communication Corp.	E020336
SES-T/C-20170503-00513	GCI Communication Corp.	E890589
SES-T/C-20170503-00514	GCI Communication Corp.	E010091
SES-T/C-20170503-00515	Denali Media Anchorage, Corp.	E060291
SES-T/C-20170503-00516	Denali Media Anchorage, Corp.	E060015
SES-T/C-20170503-00517	GCI Communication Corp.	E120041
SES-T/C-20170503-00518	GCI Communication Corp.	E874371
SES-T/C-20170503-00519	GCI Communication Corp.	E110169

²⁵ See 47 CFR § 63.03(c)(1).

**PART 73 – RADIO BROADCAST SERVICES LICENSES and
PART 74 – EXPERIMENTAL RADIO, AUXILIARY, SPECIAL BROADCAST AND OTHER
PROGRAM DISTRIBUTIONAL SERVICES**

<u>Call Sign</u>	<u>Licensee</u>	<u>File Number</u>
KTVA	Denali Media Anchorage Corp.	BTCCDT-20170501ABY
K04GP-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
K08LW-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
K11VP-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
K15AG-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
K29KH-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
K50MO-D	Denali Media Anchorage Corp.	BTCDTV-20170501ABZ
KTNL-TV	Denali Media Juneau Corp.	BTCCDT-20170501ACG
KUBD	Denali Media Juneau Corp.	BTCCDT-20170501ACG
KXLJ-LD	Denali Media Juneau Corp.	BTCCDT-20170501ACI
KATH-LD	Denali Media Southeast Corp.	BTCDTL-20170501ACJ
KSCT-LP	Denali Media Southeast Corp.	BTCDTL-20170501ACJ

SECTION 310(d) APPLICATIONS

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0007751384	The Alaska Wireless Network, LLC	KNKA480
0007753402	GCI Communication Corp.	WLC631
0007753506	United Utilities, Inc.	KNKD748
0007753529	BBN, Inc.	WQPP359
0007753538	Unicom, Inc.	WQPH548
0007753597	United2, LLC	WPNI462
0007753712	Denali Media Holdings Corp.	WQSY276
0007753716	Denali Media Anchorage, Corp.	WPOS651
0007746289	Provide Gifts, Inc.	WQRA367