

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
Joint Application of General Communication, Inc. and GCI Liberty, Inc. for Consent to Transfer Control
WC Docket No. 17-114

MEMORANDUM OPINION AND ORDER

Adopted: November 8, 2017

Released: November 8, 2017

By the Chief, Wireline Competition Bureau; Chief, International Bureau; Chief, Media Bureau; and Chief, Wireless Telecommunications Bureau:

I. INTRODUCTION

1. By this Order, pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended, and the Cable Landing License Act of 1921, the Wireline Competition Bureau, International Bureau, Media Bureau, and Wireless Telecommunications Bureau (Bureaus) approve without conditions a series of applications filed by General Communication, Inc. (GCI) and GCI Liberty, Inc. (GCI Liberty) (together, Applicants) seeking approval to transfer control of various licenses and authorizations held by operating subsidiaries of GCI to GCI Liberty. We also deny the Petitions to Deny the Applications filed by Alaska Communications and by Quintillion Subsea Operations, LLC and Quintillion Networks, LLC.

2. We carefully and thoroughly reviewed the record, including material submitted by the Applicants pursuant to the Bureaus' requests. We conclude that there are no potential harms associated with the transaction and that it serves the public interest, convenience, and necessity, and we grant the Applications.

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, and, together with other applications listed in Appendix A, Applications). Liberty Interactive Corporation (Liberty Interactive) filed the applications on behalf of GCI Liberty. Lead Application at 17.

4 Petition to Deny of Alaska Communications, WC Docket No. 17-114 (filed June 19, 2017) (ACS Petition); Petition to Deny of Quintillion Subsea Operations, LLC and Quintillion Networks, LLC, WC Docket No. 17-114 (filed June 19, 2017) (Quintillion Petition) (ACS and Quintillion, together, Petitioners).

5 Letter from John T. Nakahata and Robert L. Hoegle, Counsel to Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114 (filed Aug. 22, 2017) (Applicant Supplement); Letter from Julie A. Veach, Counsel to GCI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114 (filed Sept. 28, 2017) (Applicant Sept. 28 Ex Parte Letter).

II. BACKGROUND

A. Description of Applicants

1. General Communication, Inc.

3. GCI, a publicly traded Alaska corporation, provides, through its operating subsidiaries, local exchange, interexchange, resold international telecommunications, commercial mobile radio and data, cable television, Internet access, broadcast television, wholesale submarine cable capacity, and other communications services throughout Alaska, between Alaska and the 48 contiguous states, and in certain other geographic areas.⁶ GCI's wireline operating subsidiaries, Yukon Telephone Co., Inc., United Utilities, Inc., and United-KUC, Inc., operate as incumbent local exchange carriers (LECs) and eligible telecommunications carriers, serving about 60 villages in rural and remote areas of the state.⁷ In addition, 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; and United Utilities, Inc., United2, LLC, Unicom, Inc., and GCICC provide interexchange and Internet access services over the TERRA network, GCI's hybrid fiber-microwave network connecting western Alaska with Anchorage.⁸

2. GCI Liberty, Inc.

4. GCI Liberty, Liberty Interactive, and their affiliates have entered into agreements pursuant to which GCI Liberty, the entity that will own the GCI operating companies, will be a publicly-traded company owned and controlled by two groups of shareholders.⁹ The first group consists of the existing shareholders of GCI, which will own approximately 23 percent of the undiluted equity and 16 percent of the undiluted voting interests in GCI Liberty.¹⁰ The second group consists of the former shareholders of the Liberty Ventures Group of Liberty Interactive, which will own approximately 77 percent of the undiluted equity interests and 84 percent of the undiluted voting interests of GCI Liberty.¹¹ The parties anticipate that upon consummation of the transaction, Dr. John C. Malone, a U.S. citizen and shareholder of Liberty Interactive, will be the only ultimate holder of a 10 percent or greater interest in GCI Liberty (4 percent equity interest; 27.4 percent voting interest).¹² Liberty Interactive is a publicly-traded Delaware corporation that owns interests in subsidiaries and companies primarily engaged in the video content and online commerce industries.¹³ Liberty Interactive attributes its assets and interests to two tracking stock groups—Liberty Ventures Group and QVC Group.¹⁴ Liberty Ventures Group has attributed to it the following assets that will be contributed to GCI Liberty post-transaction: Evite, Inc., LendingTree, Inc., FTD Companies, Inc., giggle, Inc., ILG, Inc., and Liberty Broadband Corporation

⁶ 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.

⁷ Public Interest Statement at 2-5.

⁸ *Id.* at 2-3.

⁹ *Id.* at 7.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* at 5.

¹³ *Id.* at 5-6.

¹⁴ Applicant Sept. 28 *Ex Parte* Letter at 1 and Attach. 1, Liberty Interactive Corporation SEC Form 10-K (stating that a "[t]racking stock is a type of common stock that the issuing company intends to reflect or 'track' the economic performance of a particular business or 'group,' rather than the economic performance of the company as a whole.").

(LBC).¹⁵ LBC is, in turn, a publicly traded company that holds ownership interests in subsidiaries and other companies engaged in the mobile location technology and cable television/broadband industries.¹⁶ LBC beneficially owns a 25.01 percent voting interest in Charter Communications, Inc. (Charter), through its own 17.5 percent equity interest in Charter and certain proxy agreements.¹⁷ Charter and GCI both provide cable television, Internet access, and local voice services; there is no geographic overlap between the markets that they serve.¹⁸ GCI Liberty will become the ultimate parent entity of GCI's existing operating businesses and the Liberty Ventures Group business and assets.¹⁹

B. Description of the Transaction

5. The proposed transaction is one in which the former stockholders of Liberty Ventures Group will, through a series of steps, acquire control of GCI through a reorganization in which the Liberty Ventures Group assets described above and certain 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).²⁰ In the course of reorganization, GCI will be renamed GCI Liberty and form a new Delaware corporation and wholly owned subsidiary.²¹ After closing, GCI will merge into the new Delaware subsidiary and retain the name GCI Liberty.²² 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.²³ 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.²⁴

C. Public Notice and Responses

6. On May 19, 2017, the Bureaus released a public notice accepting the Applications for filing and establishing a pleading cycle for public comments.²⁵ In addition to the two Petitions to Deny,

¹⁵ Public Interest Statement at 6.

¹⁶ *Id.*

¹⁷ *Id.* A chart showing the current ownership structure of Liberty Interactive is found at Attachment 4 to the Lead Application.

¹⁸ *Id.* at 12.

¹⁹ Lead Application at 5. Applicants state that GCI Liberty will be a publicly traded holding company that will own GCI Holdings, Inc.

²⁰ *Id.* at 6. See Applicant Sept. 28 *Ex Parte* Letter at Attach. 1 and 2 for a more thorough description of the transaction.

²¹ Public Interest Statement at 6. See Applicant Supplement at 3 (stating that “[n]othing about GCI’s local operations, its Alaska Plan commitments, the economics of network deployment and operation in remote Alaska, or the overall landscape of Alaska Plan participants will change as a result of the transaction”).

²² Public Interest Statement at 1-2.

²³ *Id.* at 7.

²⁴ *Id.*

²⁵ *Applications Filed for the Transfer of Control of the Subsidiaries of General Communication, Inc. to GCI Liberty, Inc.*, Public Notice, 32 FCC Rcd 4050 (WCB, IB, MB, WTB 2017). Our review of applications filed with the Commission does not affect the Regulatory Commission of Alaska’s independent proceedings on the proposed transaction, nor do we intend any finding in this Memorandum Opinion and Order to pre-judge the state’s independent consideration of matters before it under applicable state law or precedent, which may differ from our standard of review. On July 11, 2017, the U.S. Department of Justice (DOJ) granted early termination of its pre-merger review under the Hart-Scott-Rodino Antitrust Improvement Act of 1975. Early Termination Notice, <https://www.ftc.gov/enforcement/premerger-notification-program/early-termination-notices/20171468>.

we also received several other responses.²⁶ On August 22, 2017, after the public comment period closed, Applicants filed additional information to supplement the Applications.²⁷

III. STANDARD OF REVIEW AND PUBLIC INTEREST FRAMEWORK

7. Pursuant to sections 214(a) and 310(d) of the Act²⁸ and the Cable Landing License Act,²⁹ the Commission must determine whether the proposed transfer of control of certain licenses and authorizations held and controlled by operating subsidiaries of GCI will serve the public interest, convenience, and necessity. In making this determination, the Commission first assesses whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules.³⁰ If the proposed transaction does not violate a statute or rule, then the Commission considers whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.³¹

²⁶ Letter from Representative David Guttenberg, Alaska House of Representatives, to Marlene H. Dortch, FCC, WC Docket No. 17-114, at 2 (filed June 16, 2017) (Representative Guttenberg *Ex Parte* Letter); Letter from Tom Begich, District J, Alaska State Legislature, to Chairman Pai, FCC, WC Docket No. 17-114 (filed July 3, 2017); Comment of Peggy Cowan, WC Docket No. 17-114 (filed July 3, 2017); Comment of Thomas Olemaun, WC Docket No. 17-114 (filed July 3, 2017); Letter from Vivian Korthuis, CEO, Association of Village Council Presidents (AVCP), to Chairman Pai, FCC, WC Docket No. 17-114 (filed July 5, 2017); Letter from Zach Fansler, Alaska State House Representative, to Chairman Pai, FCC, WC Docket No. 17-114 (filed July 5, 2017) (Representative Fansler *Ex Parte* Letter); Letter from Harry T. Crawford, to FCC, WC Docket No. 17-114 (filed June 29, 2017) (Crawford *Ex Parte* Letter).

²⁷ See Applicant Supplement at 1-4.

²⁸ 47 U.S.C. §§ 214(a), 310(d). Section 310(d) of the Act requires that we consider applications for transfer of Title III licenses under the same standard as if the proposed transferee were applying for licenses directly under section 308 of the Act, 47 U.S.C. § 308. See, e.g., *AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5672, para. 19 (2007) (*AT&T-BellSouth Order*).

²⁹ 47 U.S.C. §§ 34-39. The Cable Landing License Act provides that approval of a license application may be granted “upon such terms as shall be necessary to assure just and reasonable rates and service.” 47 U.S.C. § 35. The Commission does not conduct a separate public interest analysis under this statute. See, e.g., *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18300, para. 16, n.59 (2005) (*SBC-AT&T Order*).

³⁰ 47 U.S.C. § 310(d); *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, WC Docket No. 16-403, Memorandum Opinion and Order, FCC 17-142, at para. 8 (2017) (*CenturyLink-Level 3 Order*) (citing *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9139-40, para. 18 (2015) (*AT&T-DIRECTV Order*); *Applications of Comcast Corp., General Electric Co., and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, MB Docket No. 10-56, Memorandum Opinion and Order, 26 FCC Rcd 4238, 4247, para. 22 (2011) (*Comcast-NBCU Order*); *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) (*EchoStar-DIRECTV HDO*)); *Joint Application of Securus Investment Holdings, LLC, Securus Technologies, Inc., T-NETIX, Inc., T-NETIX Telecommunications Services, Inc. and SCRS Acquisition Corporation for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, and Sections 63.04 and 63.24 of the Commission's Rules to Transfer Indirect Ownership and Control of Licensees*, WC Docket No. 17-126, Memorandum Opinion and Order, FCC 17-141, at para. 10 (2017) (*Securus-SCRS Order*).

³¹ *CenturyLink-Level 3 Order* at para. 9 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Comcast-NBCU Order*, 26 FCC Rcd at 4247, para. 22; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20574, para. 25); *Securus-SCRS Order* at para. 11.

8. Our competitive analysis, which forms an important part of the public interest evaluation, is informed by, but not limited to, traditional antitrust principles.³² The DOJ has independent authority to examine the competitive impacts of proposed mergers and transactions involving transfers of Commission licenses, but the Commission’s competitive analysis under the public interest standard is somewhat broader. Notably, the Commission may impose and enforce narrowly tailored, transaction-specific conditions that address the potential harms of a transaction.³³ Specifically, the Commission has repeatedly held that it will impose conditions “only to remedy harms that arise from the transaction (i.e., transaction-specific harms)” and “related to the Commission’s responsibilities under the Communications Act and related statutes,” and it “will not impose conditions to remedy pre-existing harms or harms that are unrelated to the transaction.”³⁴

9. If the Commission has determined that a transaction raises no public interest harms or any such harms have been ameliorated by narrowly tailored conditions, the Commission next considers a transaction’s public interest benefits. Notably, the Commission has long recognized the clear public interest benefits in a license or authorization holder being able to assign or transfer control of its license or authorization freely.³⁵ Indeed, the Commission has adopted streamlining procedures—including the automatic approval of a transaction—when a “transaction is unlikely to raise public interest concerns.”³⁶

³² *CenturyLink-Level 3 Order* at para. 9 (citing *Satellite Bus. Sys.*, 62 FCC 2d 997, 1068-73, 1088 (1977), *aff’d sub nom United States v. FCC*, 652 F.2d 72 (D.C. Cir. 1980) (*en banc*); see also *Northeast Utils. Serv. Co. v. FERC*, 993 F.2d 937, 947 (1st Cir. 1993) (public interest standard does not require agencies “to analyze proposed mergers under the same standards that the Department of Justice . . . must apply”)); *Securus-SCRS Order* at para. 12.

³³ *CenturyLink-Level 3 Order* at para. 9 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer Control*, WC Docket No. 10-110, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4199, para. 10 (2011) (*Qwest-CenturyLink Order*)); *Securus-SCRS Order* at para. 12.

³⁴ *CenturyLink-Level 3 Order* at para. 9 (citing *SBC-AT&T Order*, 20 FCC Rcd at 18303, para. 19; *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation for Consent to Transfer Control of Licenses and Authorizations et al.*, WT Docket Nos. 04-70, 04-254, 04-255, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21545-46, para. 43 (2004); see also *Applications of Nextel Partners, Inc. Transferor, and Nextel WIP Corp. and Sprint Nextel Corporation, Transferees, for Consent to Transfer Control of Licenses and Authorizations*, File Nos. 0002444650, 0002444656, 0002456809, Memorandum Opinion and Order, 21 FCC Rcd 7358, 7361, para. 9 (2006); *Applications of AT&T Inc. and CellCo Partnership d/b/a Verizon Wireless for Consent to Assign or Transfer Control of Licenses and Authorizations and Modify a Spectrum Leasing Arrangement*, WT Docket No. 09-104, Memorandum Opinion and Order, 25 FCC Rcd 8704, 8747, para. 101 (2010)); *Securus-SCRS Order* at para. 12.

³⁵ *CenturyLink-Level 3 Order* at para. 10 (citing *Amendment of Section 73.3596 of the Commission’s Rules (Applications for Voluntary Assignments or Transfers of Control)*, Memorandum Opinion and Order, 4 FCC Rcd 1710 (1988), affirming 59 RR 2d 1081 (1982) (affirming elimination of requirement that broadcast licenses be held three years before they can be assigned or transferred, stating “the public interest is usually best served by allowing station sales transactions to be regulated primarily by marketplace forces,” and holding that the listening public benefits from freely allowing sales to new owners); *id.* 55 RR 2d at 1087-88 (holding buyer who is willing to pay market price more likely to deliver service audiences desire and recognizing public benefit of ready market for broadcast licenses); *Amendment of the Commission’s Space Station Licensing Rules and Policies*, First Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10760, 10841-44 (2003) (eliminating anti-trafficking policy for satellite licenses expedites service to the public by facilitating the transfer of licenses to those parties that have the greatest incentive and ability to construct a satellite system; enables satellite spectrum to move more efficiently to its highest and best use; and helps licensees mitigate risk thereby encouraging investment)); *Securus-SCRS Order* at para. 13.

³⁶ *CenturyLink-Level 3 Order* at para. 10 (citing *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, Report and Order, 17 FCC Rcd 5517, 5533-35, paras. 29-34 (2002)); *Securus-SCRS Order* at para. 13.

The Commission will also review other claimed public interest benefits of a transaction, with the applicants bearing the burden of proving those benefits by a preponderance of the evidence.³⁷

10. Finally, if the Commission is able to find that narrowly tailored, transaction-specific conditions are able to ameliorate any public interest harms and the transaction is in the public interest, it may approve the transaction as so conditioned.³⁸ In contrast, if the Commission is unable to find that a proposed transaction even with such conditions serves the public interest or if the record presents a substantial and material question of fact, then it must designate the application for hearing.³⁹

IV. QUALIFICATIONS OF APPLICANTS AND COMPLIANCE WITH COMMUNICATIONS ACT AND FCC RULES AND POLICIES

11. Section 310(d) of the Act requires that we make a determination as to whether the Applicants have the requisite qualifications to hold Commission licenses.⁴⁰ Among the factors the Commission considers in its public interest review is whether the applicant for a license has the requisite “citizenship, character, financial, technical, and other qualifications.”⁴¹ Therefore, as a threshold matter, the Commission must determine whether the applicants to a proposed transaction meet the requisite qualification requirements to hold and transfer licenses under section 310(d) of the Act and the Commission’s rules.⁴²

12. No party has raised an issue with respect to the basic qualifications of either GCI or GCI Liberty; nor are we aware of any.⁴³ No parties allege that the former shareholders of the Liberty Ventures

³⁷ 47 U.S.C. § 309(e); *see CenturyLink-Level 3 Order* at para. 10 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20574, para. 25); *Securus-SCRS Order* at para. 13.

³⁸ *CenturyLink-Level 3 Order* at para. 11 (stating that “Although the Commission has suggested in the past that it may employ a ‘balancing test,’” *see, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18, or a ‘sliding scale approach,’” *see, e.g., AT&T-BellSouth Order*, 22 FCC Rcd at 5761, para. 203, “in practice the Commission has not allowed potential competitive harms to go unremedied nor allowed them to be offset by benefits that are not transaction-specific, i.e., benefits that do not naturally arise from the transaction at issue.”); *Securus-SCRS Order* at para. 14.

³⁹ 47 U.S.C. § 309(e); *CenturyLink-Level 3 Order* at para. 11 (citing *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20562-63, para. 3); *Securus-SCRS Order* at para. 14. Section 309(e)’s requirement applies only to those applications to which Title III of the Act applies. We are not required to designate for hearing applications for the transfer or assignment of Title II authorizations when we are unable to find that the public interest would be served by granting the applications, *see ITT World Communications, Inc. v. FCC*, 595 F.2d 897, 901 (2d Cir. 1979), but may do so if we find that a hearing would be in the public interest.

⁴⁰ 47 U.S.C. § 310(d).

⁴¹ 47 U.S.C. §§ 308, 310(d); *see also AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para.11; *AT&T-BellSouth Order*, 22 FCC Rcd at 5756, para. 191; *SBC-AT&T Order*, 20 FCC Rcd at 18379, para. 171.

⁴² *See AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para.11; *AT&T-BellSouth Order*, 22 FCC Rcd at 5756, para. 191.

⁴³ The Commission generally does not reevaluate the qualifications of transferors unless issues related to basic qualifications have been sufficiently raised in petitions to warrant designation for hearing. *See AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 25; *Applications of Sprint Nextel Corp. and SoftBank Corp. and Starburst II, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9653, para. 27 (2013) (*Softbank-Sprint Order*). The Commission previously found GCI to be qualified to hold Commission authorizations and licenses. *See Applications of GCI Communications Corp., ACS Wireless License Sub, Inc., ACS of Anchorage License Sub, Inc., and Unicom, Inc. for Consent to Assign Licenses to the Alaska Wireless Network, LLC*, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 10433, 10445, para. 29 (2013).

Group of Liberty Interactive, which will own approximately 77 percent of the equity interests GCI Liberty, lack the requisite character qualifications to hold Commission authorizations and licenses, and there is no evidence in the record to support such a finding. Accordingly, we find that GCI Liberty would have the requisite citizenship, character, financial, technical, and other basic qualifications under the Act and our rules, regulations, and policies.

13. The proposed transaction must comply with the Act, other applicable statutes, and the Commission's rules before we can find that it is in the public interest.⁴⁴ We find that the proposed transaction will not violate any statutory provision or Commission rule.

V. POTENTIAL PUBLIC INTEREST HARMS AND BENEFITS

A. Potential Public Interest Harms

14. We find no evidence in the record to support a finding that the transaction will result in potential public interest harms. We therefore deny the Petitions to Deny. We also reject Petitioners' requests that we condition the transaction, because we find Petitioners' claims of harm to be speculative and their proposed conditions to be unrelated to the transaction.⁴⁵

15. Petitioners request that we deny or condition a grant of the proposed transaction based on GCI's existing practices, which they contend will continue and worsen upon consummation of the deal. They maintain that: (1) GCI controls the only broadband-capable middle-mile facilities in many locations in rural Alaska;⁴⁶ (2) GCI has failed to provide other service providers wholesale access to these facilities on reasonable and non-discriminatory rates, terms and conditions;⁴⁷ (3) GCI receives the majority of end user/tax payer money for support in Alaska, but charges monopoly rates to wholesale and retail customers, including schools, libraries, and rural health care providers;⁴⁸ and (4) post-consummation, GCI will have a greater incentive and ability to exercise market power to deprive wholesale customers as well as retail customers of affordable access to GCI network facilities and services.⁴⁹

⁴⁴ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9154, para. 52.

⁴⁵ We note that the initial two-part screen, if it were applied, would not identify any market for further competitive review because Liberty currently does not hold wireless spectrum or provide facilities-based mobile telephony/broadband services in any of the same markets as GCI. See *Softbank-Sprint Order*, 28 FCC Rcd at 9660, para. 44. Further, considering that GCI's communications subsidiaries, through which GCI currently offers mobile telephony/broadband services, will remain unchanged, and seek no reduction in their wireless commitments under the Alaska Plan, we anticipate that the proposed transaction would not be likely to cause any potential public interest harms with respect to GCI's wireless performance obligations under the Alaska Plan. Based on the record in this proceeding, we find no reason for further competitive review. See *Universal Service Reform-Mobility Fund*, WT Docket No. 10-208, *Connect America Fund-Alaska Plan*, WC Docket No. 16-271, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10166, para. 84 (2016) (*Alaska Plan Order*); Public Interest Statement at 9; Applicant Supplement at 3; Letter from Karen Brinkman, Counsel to Alaska Communications, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114, at 3 (filed Sept. 18, 2017) (*ACS Sept. 18 Ex Parte Letter*).

⁴⁶ Letter from Karen Brinkman, Counsel to Alaska Communications, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114, at 2 (filed Oct. 12, 2017) (*ACS Oct. 12 Ex Parte Letter*); ACS Petition at 5-6, 9-10; Quintillion Petition at 13-14.

⁴⁷ ACS Oct. 12 *Ex Parte Letter* at 2; ACS Petition at 10-11, 13, ACS Petition, Exh. A, Declaration of David C. Blessing, at paras. 10-20 (ACS Blessing Decl.); ACS Petition, Exh. B, Declaration of Mark Enzenberger, at paras. 4-10; Quintillion Petition at 21-25.

⁴⁸ ACS Petition at 14-15, ACS Blessing Decl. at paras. 10-20; Quintillion Petition at 15-20, 22-23; Harry T. Crawford Comment at 1.

⁴⁹ ACS Oct. 12 *Ex Parte Letter* at 1-2; ACS Sept. 18 *Ex Parte Letter* at 1; Letter from Richard Cameron, Alaska Communications, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114, at 2 (filed July 24, 2017); ACS

(continued....)

16. With respect to the harms alleged by Petitioners, we are not persuaded by Petitioners' claims that the proposed transaction will make GCI more capable of and more inclined to engage in anti-competitive behavior in Alaska.⁵⁰ Because GCI and the companies that will become affiliated with GCI after the transaction do not compete to provide service in any geographic areas that overlap,⁵¹ there are no horizontal competitive effects that would arise from the transaction that would enable GCI Liberty to control access to more facilities in a given area than it does currently.⁵²

17. ACS argues that, post-transaction, GCI Liberty will be a larger entity and have an increased incentive and means to discriminate by exercising greater market power and will "raise prices, discriminate against competitors reduce output, and refuse service - because it will reap the benefits in the long term."⁵³ In making this argument, ACS relies on the *Ameritech-SBC Merger Order* for the proposition that a "merged entity may have an increased incentive to engage in anticompetitive behavior by allowing it to capture or internalize a higher portion of the effects of such anticompetitive strategies."⁵⁴ The Commission's competition analysis in the *Ameritech-SBC Merger Order* is inapposite to this transaction. That transaction involved the combination of two Regional Bell Operating Companies with extremely large and adjacent incumbent service areas and out-of-region operations.⁵⁵ The Commission found that the merger of Ameritech and SBC increased the combined entity's ability to discriminate because of "(1) the reduction in the number of benchmarks, making it more difficult for regulators to monitor and detect misconduct; (2) the ability of the combined entity to coordinate and rationalize the discriminatory conduct of the two companies (sharing "worst practices"), making detection and proof of discrimination more difficult; and 3) the efficiencies (economies of scope) that result from being able to share strategies and arguments while fighting similar regulatory battles in multiple state forums."⁵⁶ Those factors are not present here. GCI serves Alaska as an incumbent LEC in small rural areas and elsewhere as a competitive LEC, and the Liberty entities do not provide any services in Alaska. Rather than eliminating a potential competitor from the marketplace or combining adjacent entities in a manner that increases their ability to resist third-party competition, or to engage in any of the specific practices that the Commission was concerned about in the *Ameritech-SBS Order*, the instant transaction results in GCI becoming part of a diversified parent entity that will provide more resources for its existing Alaska operations.

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Petition at 7, 16; Quintillion Petition at 9-12; AVCP Comments at 1-2 (arguing that GCI Liberty's post-transaction rates should be more affordable).

⁵⁰ To be clear, we reach no conclusion about whether GCI possesses market power.

⁵¹ Public Interest Statement at 12.

⁵² The Commission has stated that a transaction is considered to be horizontal when the parties to the transaction compete as providers in the same locations. *See Applications Filed for the Transfer of Control of tw telecom inc. to Level 3 Communications, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 12842, 12848, para. 16 (WCB 2014) (citing *AT&T-BellSouth Order*, 22 FCC Rcd at 5675, para. 23 & n.82); *see also Qwest-CenturyLink Order*, 26 FCC Rcd at 4801, para. 13 & n.50.

⁵³ ACS Petition at 17 (citing *Applications of Ameritech Corp., and SBC Communications for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines*, Memorandum Opinion and Order, 14 FCC Rcd 14712, 14950, para. 571 (1999) (*Ameritech-SBC Merger Order*)); ACS Oct. 12 *Ex Parte* Letter at 1-2 (discussing potential harms associated with GCI's "ability to dominate the Alaska market through improved access to capital and a larger corporate platform, if this transaction is approved without appropriate regulatory safeguards.").

⁵⁴ ACS Petition at 17, n.66 (citing *Ameritech- SBC Merger Order*, 14 FCC Rcd at 14950). ACS appears to have mis-stated the page number for this citation because page 14950 does not address the argument that a larger entity increases the potential for harm.

⁵⁵ *See Ameritech- SBC Merger Order*, 14 FCC Rcd at 14741-43, paras. 55-62.

⁵⁶ *Id.* at 14806, para. 209 (internal citations omitted).

18. ACS's allegations regarding GCI's current conduct—which ACS claims includes GCI charging above-market prices that forecloses competitive access to its fiber infrastructure—are not a basis for denying the proposed transaction because the allegations are not transaction-specific.⁵⁷ Allegations of pre-existing misconduct by GCI are more appropriately raised in complaint proceedings than in our more narrowly focused review of the public interest impacts of the transaction. Although ACS claims that the transaction will exacerbate the behavior it finds objectionable, we see no reason to assume that GCI will have greater ability or incentive to discriminate against rivals in Alaska simply because it has access to more financial resources. To the contrary, the Commission has generally found that a transaction that could result in a licensee having access to greater resources from a larger company promotes competition, potentially resulting in greater innovation and reduced prices for consumers.⁵⁸ Moreover, to the extent that ACS's objection regarding potential discrimination concerns GCI's provision of middle-mile service on the TERRA network, the objection is baseless because it is subject to the non-discrimination requirements in sections 201 and 202 of the Act.⁵⁹ Applicants acknowledge again here that if Petitioners believe that GCI is not charging just and reasonable rates or is acting in an unreasonably discriminatory manner, GCI can address the allegations in a complaint filed under section 208 of the Act.⁶⁰

19. We also reject Petitioners' arguments that we should deny or condition the proposed transaction based on services and facilities disputes that they had with GCI prior to the announcement of the proposed transaction. The Commission has long recognized the unique challenges to the provision of telecommunications services in Alaska.⁶¹ However, the concerns raised by Petitioners arise from those existing challenges and are not transaction-specific. To the extent any pre-existing disputes raised by Petitioners about pricing or access to GCI's facilities give rise to violations of the Commission's rules, those can be addressed through complaints to or investigations by the Enforcement Bureau.⁶² Indeed, the Commission has been clear that transactions are not the appropriate vehicle to resolve issues that are pre-existing or do not result from the transaction itself.⁶³

⁵⁷ ACS Petition at 5-18.

⁵⁸ See, e.g., *Applications of National Rural Utilities Cooperative Finance Corporation and Atlantic Tele-Network, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 31 FCC Rcd 6913, 6924-25, paras. 35-36 (2016) (finding that a combined company with no additional service territory but with increased resources and purchasing power could increase its incentives to offer more services in the Virgin Islands, which is challenging to serve because of terrain and weather); *SoftBank-Sprint Order*, 28 FCC Rcd at 9682, para. 102 (finding that access to greater resources from a larger company could accelerate facilities deployment and strengthen the company's ability to compete, potentially resulting in greater innovation and reduced prices for consumers).

⁵⁹ *Alaska Plan Order*, 31 FCC Rcd at 10166, para. 83 (the Commission made clear in the *Alaska Plan Order* that GCI had acknowledged that its provision of middle-mile service on the TERRA network is a Title II service).

⁶⁰ Opposition at 9.

⁶¹ *Alaska Plan Order*, 31 FCC Rcd at 10140-41, paras. 1-4.

⁶² See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9233, para. 264 (finding that a claim of harmful interference against the transferor would, if established, be an anti-competitive harm, but that claims that arise from a pre-existing dispute were not established in the transaction record, were not related to the transaction, would not be grounds for a condition on the parties, and were denied).

⁶³ See, e.g., *Joint Applications of Global Crossing Ltd.*, 16 FCC Rcd. 850716 F.C.C.R. 8507; *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18445, para. 19 (2005) (stating that the Commission will impose conditions "only to remedy harms that arise from the transaction (*i.e.*, transaction-specific harms) and "will not impose conditions to remedy pre-existing harms or harms that are unrelated to the transaction."); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc., Transferors, to AOL Time Warner Inc., Transferee*, Memorandum Opinion and Order, 16 FCC Rcd 6550, para. 6 (2001).

20. Like Petitioners' alleged harms, their proposed conditions are unrelated to the transaction itself. Because we reject Petitioners' arguments that the proposed transaction will result in the anti-competitive harms they claim, we reject their request for conditions related to those alleged harms. As Applicants point out, the Commission has also rejected the substance of the proposed conditions in other proceedings.⁶⁴

21. For example, Petitioners request that we require GCI Liberty to use its federal universal service funding disbursements in the next five years, at least in part, to deploy new middle mile facilities in Alaska where they do not exist today or where they are inadequate to meet demand, and to allow ACS and other parties to comment on proposed build-out plans prior to the Commission authorizing any fund disbursements.⁶⁵ The Commission has been clear, however, that while recipients of universal service support in Alaska, including both ACS and GCI, are free to use such support to defray the cost of middle mile transport necessary to deliver broadband service meeting the Commission's requirements to end-user customers, they are not required to do so.⁶⁶

22. Because we find no competitive harms as a result of this transaction or that it will result in a reduction of available facilities, we also reject Petitioners' request that we should adopt a condition to require GCI Liberty to report to competitors on the specific locations and availability of its facilities and that we "continue to require GCI and other beneficiaries of federal support under the 2016 Connect America Fund 'Alaska Plan' to disclose the terrestrial middle-mile facilities that exist today and that they deploy using CAF support)."⁶⁷ Additionally, Petitioners have not explained why the existence of this proposed transaction requires the Commission to re-visit existing reporting requirements that already address the availability of infrastructure nor do they explain why those requirements, which address both accountability and oversight of federal support recipients, are inadequate to monitor GCI Liberty.⁶⁸ Notably, the Commission does require Alaska Plan carriers, including GCI, to submit terrestrial middle mile network maps and annually update where they have deployed new middle mile facilities.⁶⁹ GCI Liberty will continue to be subject to those requirements post-transaction.

23. We also deny Petitioners' request that all infrastructure deployments by GCI Liberty funded in whole or in part by federal high cost support, rural health care support, schools and libraries support, or other federal support be subject to a requirement that GCI Liberty offer access to publicly funded infrastructure at the same cost and on the same terms that it makes it available to its own related

⁶⁴ Joint Opposition at 7-8.

⁶⁵ ACS Oct. 12 *Ex Parte* Letter; ACS Sept. 18 *Ex Parte* Letter at 4; ACS Petition at 19-20; Quintillion Petition at 5, 28-29; ACS Sept. 18 *Ex Parte* Letter at 4.

⁶⁶ *Alaska Plan Order*, 31 FCC Rcd at 10165-66, para. 82 (stating that "allowing recipients to invest in middle-mile facilities as needed based on their respective situations would allow these carriers to better target the support that they receive in accordance with their circumstances to meet their deployment obligations" and denying the request of ACS to require recipients to spend at least 70 percent of their support to deploy and operate middle mile facilities); *Connect America Fund*, WC Docket No. 10-90, 31 FCC Rcd 12086, 12103, para. 54 (2016) (*ACS CAF Order*).

⁶⁷ ACS Oct. 12 *Ex Parte* Letter at 2; ACS Petition at 19; Quintillion Petition at 28 (arguing that the Commission must require GCI Liberty to report on the availability and capacity of its services subsidized under the Alaska Plan).

⁶⁸ *Alaska Plan Order*, 31 FCC Rcd at 10155-59, 10172-73, paras. 50-65, 102-105 (listing reporting requirements specific to carriers receiving support under the Alaska Plan).

⁶⁹ Joint Opposition at 9-9, nn.26, 29; *Alaska Plan Order*, 31 FCC Rcd at 10158, 10172-73, paras. 60, 102; *Wireline Competition Bureau and Wireless Telecommunications Bureau Release Instructions for Filing Terrestrial Middle-Mile Network Maps*, WC Docket No. 16-271, Public Notice, DA 17-865 (WCB, WTB Sept. 8, 2017). The accountability and reporting requirements in the *Alaska Plan Order* also make unnecessary Quintillion's request that we condition the transaction on GCI Liberty verifying that it is spending federal funds for broadband services in Alaska. Quintillion Petition at 17-18, 28.

companies.⁷⁰ We agree with Applicants that the Commission has already considered and addressed similar requests for relief.⁷¹ In particular, as we stated above, the Commission found in the *Alaska Plan Order* that carriers that choose to build middle mile transport would not be regulated under dominant carrier regulation, but noted that GCI had acknowledged that its provision of middle mile service, including the TERRA network, is a Title II service subject to common carriage requirements in sections 201 and 202 of the Act.⁷² We find that this already addresses the Petitioners' argument that GCI Liberty must offer transport services on reasonable and non-discriminatory terms.⁷³

24. We also deny ACS's request to require GCI to enter into service restoration agreements on "reasonable commercial terms."⁷⁴ ACS argues that it is necessary to impose this condition to address possible outages, such as one that occurred on an ACS undersea cable in 2014 and for which ACS claims that it could not secure alternate capacity through GCI on acceptable terms.⁷⁵ ACS has not shown that the transaction adversely affects its ability to enter into service arrangements for redundant capacity, and therefore this transaction review is not the proper forum for the allegations that ACS raises.⁷⁶ We also reject Quintillion's request that we require GCI Liberty to adopt additional Alaska Plan performance requirements for over-subscription and service throttling.⁷⁷ Quintillion's request essentially asks the Commission to reconsider the performance obligations already approved for GCI in 2016 and, it would be inappropriate for us to do so here because it is not related to the transaction and because the window for reconsideration in that rulemaking proceeding has closed.⁷⁸ Notably, Applicants must meet all of GCI's existing commitments related to receipt of universal service support — the commitments GCI made under the Alaska Plan and the Tribal Mobility Fund⁷⁹ — which Applicants state they will do post-transaction.⁸⁰

⁷⁰ See, e.g., ACS Oct. 18 *Ex Parte* Letter at 2 (GCI should provide reasonable and non-discriminatory access to all subsidized infrastructure); ACS Sept. 18 *Ex Parte* Letter at 4; ACS Petition at 7 (GCI's wholesale rates should be subject to an imputation test); Harry T. Crawford Comments at 1; Senator Tom Begich Comments at 1-2; Representative Fansler Comments at 1-2 (arguing that GCI should provide access to other companies who might wish to bid on providing access).

⁷¹ Joint Opposition at 7-8, nn.22-24.

⁷² *Alaska Plan Order*, 31 FCC Rcd at 10166, para. 83; Joint Opposition at 3 (stating that GCI's services include common carrier services subject to Commission rules).

⁷³ ACS Sept. 18 *Ex Parte* Letter at 4.

⁷⁴ ACS Oct. 12 *Ex Parte* Letter at 2; ACS Sept. 18 *Ex Parte* Letter at 4; ACS Petition at 22-23.

⁷⁵ ACS Petition at 22-23.

⁷⁶ See *Applications of Cellco P'ship d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manger and De Facto Transfer Leasing Arrangements*, Memorandum Opinion and Order, 23 FCC Rcd 17444, para. 214 (2008) (declining to consider the question of whether the transaction would impact a commercial contractual dispute involving access to resale terms).

⁷⁷ Quintillion Petition at 29.

⁷⁸ *Alaska Plan Wireline Authorization Public Notice*, 31 FCC Rcd at 13351, App. B; *Alaska Plan Wireless Authorization Public Notice*, 31 FCC Rcd at 13321-22, App. A.

⁷⁹ Joint Opposition at 3-4 (citing *Wireline Competition Bureau Authorizes Alaska Plan Support for 13 Alaskan Rate-of-Return Companies*, Public Notice, 31 FCC Rcd 13347, 13353, App. B (WCB 2016) (*Alaska Plan Wireline Authorization Public Notice*); *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, Appx. A at 13321-32 (WTB 2016) (*Alaska Plan Wireless Authorization Public Notice*) and *Tribal Mobility Fund Phase I Support Authorized for Final Fifty-One Winning Bids*, Public Notice, 30 FCC Rcd 2226, 2228-30, Attach. A (WTB, WCB 2015) (*Tribal Mobility Fund Authorization Public Notice*)). See also Letter from Peter Pounds, Treasurer, United Utilities, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-271 (filed Dec. 29, 2016), and Letter from F.W. Hintz II, Vice President, Regulatory Economics & Finance, General Communications, Inc., to

(continued....)

B. Potential Public Interest Benefits

25. Having addressed any potential public interest harms of the transaction, we next review the public interest benefits of the particular transaction, beyond fostering the free transferability of licenses and authorizations. The Commission has recognized that efficiencies generated through a transaction can mitigate competitive harms only “if such efficiencies enhance the merged firm’s ability and incentive to compete and therefore result in lower prices, improved quality, enhanced service or new products.”⁸¹ Specifically, the Commission finds a claimed benefit to be cognizable only if it is transaction-specific—meaning it naturally arises as a result of the transaction⁸²—and verifiable, and is “more likely to find marginal cost reductions to be cognizable than reductions in fixed cost.”⁸³

26. Applicants assert 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.”⁸⁴ We find Applicants’ assertion to be reasonable that GCI Liberty will have assets and holdings in companies that operate outside of Alaska and that “GCI Liberty will thus be a far more diversified company than GCI today, and that diversity will help to insulate GCI from Alaska-specific economic events . . .” and could immediately improve access to capital for GCI that would not exist but for the transaction.⁸⁵

27. The Applicants claim that GCI Liberty will have access to increased financial resources that could benefit customers.⁸⁶ We note that GCI is already bound through its performance plan to improve the availability of modern broadband service, both fixed and mobile, to remote areas of Alaska.⁸⁷ Moreover, Applicants concede that the transaction will not combine two carriers with overlapping operations such that it will yield operational synergies that will lower its operating costs and allow it to make additional commitments to deploy broadband beyond what it has already promised.⁸⁸ Because Applicants do not argue that they faced a risk of not meeting these pre-existing commitments, any benefit here is at most negligible.⁸⁹

28. Applicants assert the increased size of GCI Liberty will provide GCI with improved access to more diverse revenue sources and capital markets that could allow it to adjust to economic

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Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-271 (filed Dec. 29, 2016) (certifying to meeting Alaska Plan commitments and obligations).

⁸⁰ See Public Interest Statement at 10-11; Joint Opposition at 3; and Applicant Supplement at 1-4.

⁸¹ *CenturyLink-Level 3 Order* at para. 50 (citing *AT&T-BellSouth Order*, 22 FCC Rcd at 5760, para. 201).

⁸² *Id.* at para. 50 (stating “Or as the Commission has previously put it, ‘more likely to be accomplished as a result of the merger but unlikely to be realized by other means that entail fewer anticompetitive effects.’” *AT&T-BellSouth Order*, 22 FCC Rcd at 5761, para. 202).

⁸³ *CenturyLink-Level 3 Order* at para. 50 (citing *AT&T-BellSouth Order*, 22 FCC Rcd at 5761, para. 202).

⁸⁴ Public Interest Statement at 9-11; Joint Opposition at 3-4; Letter from John T. Nakahata and Robert L. Hoegle, Counsel to Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 17-114, at 2 (filed Sept. 25, 2017).

⁸⁵ Joint Opposition at 4.

⁸⁶ Lead Application at 11; Joint Opposition at 3, 6.

⁸⁷ Joint Opposition at 3-4 (citing *Alaska Plan Wireline Authorization Public Notice*, 13 FCC Rcd at 13353, App. B; *Tribal Mobility Fund Authorization Public Notice*, 30 FCC Rcd at 2228-30, Attach. A; *Alaska Plan Wireless Authorization Public Notice*, 31 FCC Rcd at 13321-22, App. A).

⁸⁸ Applicant Supplement at 1.

⁸⁹ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 273; *Applications of NYNEX/ Bell Atlantic Merger Order*, 12 FCC Rcd 19985, 20066, para. 168 (1997) (disregarding purported benefits that are not merger specific).

conditions in Alaska.⁹⁰ Contrary to Petitioners' claims, we find that this is likely to provide some benefit to consumers.⁹¹ Because Applicants did not specify that the transaction will result in specific, additional commitments, however, the amount of anticipated service improvements that are likely to result from the instant transaction are difficult to quantify.⁹²

VI. CONCLUSION

29. We conclude that granting the Applications serves the public interest. After thoroughly reviewing the proposed transaction and the record in this proceeding, we conclude that Applicants are fully qualified to transfer control of the licenses and authorizations in Appendix A and that the transaction is unlikely to result in public interest harms.

VII. ORDERING CLAUSES

30. Accordingly, having reviewed the record in this matter, **IT IS ORDERED**, pursuant to sections 4(i) and (j), 5(c), 214(a), 214(c), 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 155(c), 214(a), 214(c), 303(r), 309, 310(d), and the Cable Landing License Act, 47 U.S.C. §§ 34-39, and sections 1.767, 1.948, 25.119, 63.04, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.767, 1.948, 25.119, 63.04, 63.24, and pursuant to the authority delegated under sections 0.51, 0.91, 0.131, 0.261, 0.291, and 0.331 of the Commission's rules, 47 CFR §§ 0.51, 0.91, 0.131, 0.261, 0.291, 0.331, that the Applications to transfer control of the licenses and authorizations listed in Appendix A **ARE GRANTED**.

31. **IT IS FURTHER ORDERED** that the Petition to Deny of Alaska Communications and the Petition to Deny of Quintillion Subsea Operations, LLC, and Quintillion Networks, LLC, **ARE DENIED**.

32. **IT IS FURTHER ORDERED** that the above grant shall include authority for GCI Liberty, consistent with the terms of this Memorandum Opinion and Order, to acquire control of: (1) any licenses and authorizations issued to GCI during the Commission's consideration of the Applications and the period required for consummation of the transaction following approval; (2) any applications that have been filed by GCI or its subsidiaries that are pending at the time of consummation of the transaction; and (3) licenses that may have been inadvertently omitted from the Applications that are held by GCI at the time of consummation of the transaction.

33. **IT IS FURTHER ORDERED** that this Memorandum Opinion and Order **SHALL BE EFFECTIVE** upon release, in accordance with section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1). Petitions for reconsideration under section 1.106 of the Commission's Rules, 47 CFR § 1.106, or applications for review under section 1.115 of the Commission's rules, 47 CFR § 1.115, may be filed within thirty days of the release date of this Memorandum Opinion and Order.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Chief, Wireline Competition Bureau

⁹⁰ See Public Interest Statement at 9-10.

⁹¹ ACS Sept. 18 *Ex Parte* Letter at 2.

⁹² See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

Thomas Sullivan
Chief, International Bureau

Michelle M. Carey
Chief, Media Bureau

Donald Stockdale
Chief, Wireless Telecommunications Bureau

APPENDIX 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 application to transfer control of domestic section 214 authority in connection with the proposed transaction is granted.

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

**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