**DA 20-1106**

**Released: September 18, 2020**

**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF THE SUBSIDIARIES OF**

**GCI LIBERTY, INC. TO LIBERTY BROADBAND CORPORATION**

**Pleading Cycle Established**

**WC Docket No. 20-292**

**Comments Due: October 2, 2020**

**Reply Comments Due: October 9, 2020**

By this Public Notice, the Wireline Competition Bureau, International Bureau, Wireless Telecommunications Bureau, and Media Bureau seek comment from interested parties on a series of applications filed by GCI Liberty, Inc. (GCI Liberty), and Liberty Broadband Corporation (Liberty Broadband) (together, Applicants), pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended,[[1]](#footnote-3) the Cable Landing License Act of 1921,[[2]](#footnote-4) and sections 1.767, 63.03-04, 63.18, and 63.24 of the Commission’s rules,[[3]](#footnote-5) seeking approval to transfer control of various licenses and authorizations held by operating subsidiaries indirectly held by GCI Liberty to Liberty Broadband.[[4]](#footnote-6)

GCI Liberty, a publicly traded Delaware corporation, holds interests in various companies, including its wholly owned subsidiary, GCI Holdings, LLC (GCI Holdings),[[5]](#footnote-7) which, through its operating subsidiaries, provides 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, specialized telecommunications and data services for the oil, gas, and mining industries, and other communications services throughout many areas of Alaska, between Alaska and the 48 contiguous states, and in certain other geographic regions.[[6]](#footnote-8) GCI Holdings’ wireline operating subsidiaries provide the following services in Alaska: Yukon Telephone Co., Inc., United Utilities, Inc., and United-KUC, Inc., each operate as an incumbent local exchange carrier (LEC) and a fixed eligible telecommunications carrier, serving about 60 villages in rural and remote areas of the state;[[7]](#footnote-9) GCI Communications Corp (GCICC) provides competitive LEC 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.[[8]](#footnote-10)

Liberty Broadband, a publicly traded Delaware corporation, currently owns interests in Charter and in Skyhook Holding, Inc. (Skyhook).[[9]](#footnote-11) Liberty Broadband beneficially owns an approximate 23.4% equity interest (on a fully diluted basis) and a 25.01% voting interest in Charter. Liberty Broadband’s wholly owned subsidiary, Skyhook, offers mobile positioning and contextual location intelligence solutions.[[10]](#footnote-12) Applicants state that, following the consummation of the proposed transaction, the only projected 10% or greater shareholders of Liberty Broadband will be Dr. John C. Malone (approximately 49% voting and 4.39% equity), a U.S. citizen, and the Vanguard Group, Inc. (Vanguard) (approximately 3.28% voting and 10.19% equity), a Pennsylvania corporation.[[11]](#footnote-13)

Applicants state that, pursuant to an August 6, 2020, Agreement and Plan of Merger, Liberty Broadband will acquire control of GCI Liberty’s subsidiaries through a series of transactions, in which GCI Liberty will be merged into a wholly owned subsidiary of Liberty Broadband.[[12]](#footnote-14) At the effective time of the proposed transaction, Applicants explain each existing share of GCI Liberty Series A Common Stock will be converted into the right to receive 0.580 of a share of Liberty Broadband Series C Common Stock; each share of GCI Liberty Series B Common Stock will be converted into the right to receive 0.580 of a share of Liberty Broadband Series B Common Stock; and each share of GCI Liberty Preferred Stock will be converted into the right to receive one share of newly issued Liberty Broadband Preferred Stock.[[13]](#footnote-15) Applicants state that, post consummation: (i) the former holders of GCI Liberty common stock will hold approximately 30.6% of the total number of outstanding shares of common stock of Liberty Broadband; (ii) the former holders of the GCI Liberty preferred stock will own in the aggregate all outstanding shares of Liberty Broadband preferred stock; and (iii) the former holders of GCI Liberty common stock and GCI Liberty preferred stock are expected to own, in the aggregate, approximately 16.7% of the voting power of Liberty Broadband.[[14]](#footnote-16) Applicants further state that, also on August 6, 2020, Liberty Broadband entered into an Exchange Agreement with Dr. Malone and a revocable trust of which Dr. Malone is the sole trustee and beneficiary, that will result in Dr. Malone having approximately (but not more than) 49% aggregate voting power over all of the securities of Liberty Broadband.[[15]](#footnote-17)

Applicants assert that the transaction is in the public interest because it involves two publicly traded companies that already share substantial common ownership and management.[[16]](#footnote-18) Applicants state that the executive officers of GCI Liberty and Liberty Broadband currently are identical.[[17]](#footnote-19) Applicants further state that the current shareholders of GCI Liberty that hold voting interests in GCI Liberty in excess of 50% in the aggregate also hold voting interests in Liberty Broadband in excess of 50% in the aggregate and that GCI Liberty currently is the single largest shareholder of Liberty Broadband, holding non-voting shares equivalent to a 23% economic interest in Liberty Broadband.[[18]](#footnote-20) Applicants state that the GCI Liberty operating subsidiaries do not compete with Liberty Broadband or Charter (in which Liberty will continue to hold interests) to provide service in any overlapping geographic areas.[[19]](#footnote-21)

**GENERAL INFORMATION**

The applications identified 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 **on or before** **October 2, 2020** and reply comments **on or before October 9, 2020**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.  All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

* Electronic Filers:  Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
* *Paper Filers*: Parties who choose to file by paper must file an original and one copy of each filing.[[20]](#footnote-22) If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit one additional copy for each additional docket or rulemaking number.[[21]](#footnote-23)
  + Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.[[22]](#footnote-24) All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.
  + Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
  + 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, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov);
2. Matthew Collins, Wireline Competition Bureau, [mathew.collins@fcc.gov](mailto:mathew.collins@fcc.gov);
3. Gregory Kwan, Wireline Competition Bureau, [gregory.kwan@fcc.gov](mailto:gregory.kwan@fcc.gov);
4. Arthur Lechtman, International Bureau, [arthur.lechtman@fcc.gov](mailto:arthur.lechtman@fcc.gov);
5. Sumita Mukhoty, International Bureau, [sumita.mukhoty@fcc.gov](mailto:sumita.mukhoty@fcc.gov);
6. Linda Ray, Wireless Telecommunications Bureau, [linda.ray@fcc.gov](mailto:linda.ray@fcc.gov);
7. Kathy Harris, Wireless Telecommunications Bureau, <kathy.harris@fcc.gov>;
8. Jeff Tobias, Wireless Telecommunications Bureau, <jeff.tobias@fcc.gov>;
9. David Brown, Media Bureau, [david.brown@fcc.gov](mailto:david.brown@fcc.gov); and
10. Ty Beam, Media Bureau, [ty.bream@fcc.gov](mailto:ty.bream@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. 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 the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, 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.

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.[[23]](#footnote-25) 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 Matthew Collins, Wireline Competition Bureau, (202) 418-7141; Gregory Kwan, Wireline Competition Bureau, (202) 418-1191; Arthur Lechtman, International Bureau, (202) 418-1465; Sumita Mukhoty, International Bureau, (202) 418-7165; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; Kathy Harris, Wireless Telecommunications Bureau, (202) 418-0609; Jeff Tobias, Wireless Telecommunications Bureau, (202) 418-1617; David Brown, Media Bureau, (202) 418-1645; and Ty Bream, Media Bureau, (202) 418-0644.

**- FCC -**

**ATTACHMENT A**

**SECTION 214 AUTHORIZATIONS**

**A. International**

|  |  |  |
| --- | --- | --- |
| **File Number** | **Authorization Holder** | **Authorization Number** |
| ITC-T/C-20200902-00165  ITC-T/C-20200902-00166 | The Alaska Wireless Network, LLC  GCI Communication Corp. | ITC-214-20120618-00162  ITC-214-19960116-00009 |

**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.[[24]](#footnote-26)

**CABLE LANDING LICENSES**

|  |  |  |
| --- | --- | --- |
| **File Number** | **Licensee** | **License Number** |
| SCL-T/C-20200828-00040  SCL-T/C-20200828-00041  SCL-T/C-20200828-00042  SCL-T/C-20200828-00043 | GCI Communication Corp.  Kodiak Kenai Fiber Link, Inc.  Unicom, Inc.  United Utilities, Inc. | SCL-MOD-20020409-00019[[25]](#footnote-27)  SCL-LIC-20100914-00021[[26]](#footnote-28)  SCL-LIC-20171031-00024[[27]](#footnote-29)  SCL-MOD-20200708-00025[[28]](#footnote-30)  SCL-LIC-20060413-00004[[29]](#footnote-31)  SCL-LIC-20020522-00047[[30]](#footnote-32)  SCL-LIC-20100914-00021[[31]](#footnote-33) |

**SATELLITE EARTH STATION AUTHORIZATIONS**

|  |  |  |
| --- | --- | --- |
| **File Number** | **Licensee** | **Lead Call Sign** |

SES-T/C-20200902-00946 GCI Communication Corp. E000635

SES-T/C-20200902-00947 GCI Communication Corp. E010091

SES-T/C-20200902-00948 GCI Communication Corp. E020336

SES-T/C-20200902-00949 GCI Communication Corp. E890589

SES-T/C-20200902-00950 GCI Communication Corp. E020104

SES-T/C-20200902-00951 GCI Communication Corp. E110169

SES-T/C-20200902-00952 GCI Communication Corp. E120041

SES-T/C-20200902-00953 Denali Media Anchorage, Corp. E060015

SES-T/C-20200902-00954 Denali Media Anchorage, Corp. E060291

SES-T/C-20200903-00959 GCI Communication Corp. E030192

SES-T/C-20200903-00960 GCI Communication Corp. E000627

SES-T/C-20200903-00961 GCI Communication Corp. E180787

SES-T/C-20200903-00962 GCI Communication Corp. E874371

**PART 73 – RADIO BROADCAST SERVICES LICENSES and**

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

|  |  |  |
| --- | --- | --- |
| **Call Sign** | **Licensee** | **File Number** |
| KTVA(DT)  K50MO-D  K29KH-D  K15AG-D  K11VP-D  K08LW-D  KO4GP-D  KTNL-TV  KXLJ-LD | Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Anchorage, Corp.  Denali Media Juneau, Corp.  Denali Media Juneau, Corp. | BTCCDT-20200828AAQ  BTCDTT-20200828AAR  BTCDTT-20200828AAS  BTCDTT-20200828AAT  BTCDTV-20200828AAU  BTCDTV-20200828AAV  BTCDTV-20200828AAW  BTCCDT-20200828AAX  BTCDTL-20200828AAY |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SECTION 310(d) APPLICATIONS**   |  |  |  | | --- | --- | --- | | **Lead Call Sign** | **Licensee** | **File Number** |   KNKA480 The Alaska Wireless Network, LLC 0009193369  WLT719 GCI Communications Corp. 0009193439  KNKD748 United Utilities, Inc. 0009193458  WQPH548 Unicom, Inc. 0009193467  WPNI462 United2, LLC 0009193477  WQSY276 Denali Media Holdings Corp 0009193485  WPOS651 Denali Media Anchorage Corp 0009194618  WQRA367 Provide Gifts, Inc. 0009200524 |  |  |

1. 47 U.S.C. §§ 214, 310(d). [↑](#footnote-ref-3)
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). [↑](#footnote-ref-4)
3. 47 U.S.C. §§ 214; 47 CFR §§ 63.03-04, 63.18, 63.24. [↑](#footnote-ref-5)
4. Application for Consent to Transfer Control of International and Domestic Section 214 Authority, WC Docket No. 20-292 (filed Aug. 28, 2020) (Lead Application). Applicants also filed applications to transfer or assign wireless authorizations, a submarine cable landing license, earth station licenses, and broadcast licenses. Lead Application at 18-19 and Exh. 1 at Attach. 2. The operating subsidiaries of GCI Liberty that provide domestic interstate service are identified in Table 4. Lead Application at 11. Applicants also provide a list of the anticipated Liberty Broadband affiliates providing domestic interstate telecommunications services in Table 5. *Id.* at 12-14. [↑](#footnote-ref-6)
5. Applicants state that besides GCI Holdings, GCI Liberty’s principal assets currently consist of its wholly owned subsidiary Evite, Inc., a non-controlling interest in Lending Tree, Inc. (approximately 27%), a non-voting interest in Liberty Broadband Corporation (approximately 23.5%), and an approximate 2% interest in Charter Communications, Inc. (Charter) (on a fully diluted basis). Lead Application, Exh. 1 at 1. [↑](#footnote-ref-7)
6. *Id.* at 1-2. Applicants provide a list of GCI’s subsidiaries and their Commission authorizations and licenses as Attachment 2. *Id.* at Attach. 2. [↑](#footnote-ref-8)
7. *Id.* at 2. Applicants state that, in addition to local voice services, these incumbent LECs offer Internet access via DSL or in some cases fixed wireless technologies. *Id.* Applicants provide a list of GCI’s eligible telecommunications carrier designations as Attachment 3. *Id.* at Attach. 3. [↑](#footnote-ref-9)
8. *Id*. at 2. Applicants also provide descriptions of the GCI Holdings’ operating subsidiaries that provide submarine cable, fixed and mobile wireless, cable and internet access, broadcast television, and international resale services. *Id.* at 3-4. [↑](#footnote-ref-10)
9. Lead Application, Exh. 1at 4. [↑](#footnote-ref-11)
10. *Id*. Applicants provide a chart showing the current organizational structure of Liberty Broadband as Attachment 1.B. *Id.* at Attach. 1.B. Applicants also provide a chart showing the pro forma structure of Liberty Broadband post-transaction in Attachment 1.C. *Id.* at Attach. 1.C. Applicants state that, post-transaction, Liberty Broadband will own GCI Liberty’s existing wholly owned subsidiaries including GCI Holdings and its operating subsidiaries, Evite, Inc., and non-controlling interests in Lending Tree and Charter. *Id.* at 4. [↑](#footnote-ref-12)
11. Lead Application at 5. Applicants state that the current members of Vanguard’s board of directors are Mortimer J. Buckley, Emerson U. Fullwood, Amy Gutman, F. Joseph Loughrey, Mark Loughridge, Scott C. Malpass, Deanna Mulligan, André F. Perold, Sarah Bloom Raskin, and Peter F. Volanakis, who, to the best of Applicants’ knowledge, are all or nearly all U.S. citizens. *Id.* at 5-6. Applicants provide as Table 6 a list of carriers that Liberty Broadband will be affiliated with, post-consummation, as a result of Vanguard’s expected ownership of 10% or more of Liberty Broadband. *Id.* at 15-18. Applicants also provide charts of the post-transaction structure of Liberty Broadband and its ownership of GCI Holdings, GCI Communications Corp., Skyhook Holding, Inc., and GCI, LLC. Lead Application, Exh. 1 at Attach. 1.C. at 21-24. [↑](#footnote-ref-13)
12. Lead Application, Exh. 1 at 5. Applicants provide a copy of the August 6, 2020, Agreement and Plan of Merger as Attachment 4. *Id.* at Attach. 4. Applicants state that, post-transaction, the headquarters, leadership team, brand, operations, products and services, and the Alaska-based focus for GCI Holdings will not change and that GCI Holdings will be the primary operating asset in Liberty Broadband’s portfolio of assets. *Id.* at 6. [↑](#footnote-ref-14)
13. *Id.* [↑](#footnote-ref-15)
14. *Id.* [↑](#footnote-ref-16)
15. *Id.* at 6. Specifically, under the Exchange Agreement, Applicants explain that, at the effective time of the proposed transaction, the trust would waive its right to receive shares of Liberty Broadband Series B Common Stock in exchange for certain shares of GCI Liberty Series B Common Stock held by the trust and, instead, would receive an equal number of shares of non-voting Liberty Broadband Series C Common Stock. *Id.* Applicants state that in the event that Dr. Malone’s voting power otherwise would exceed 49.5% following any repurchase, redemption or other event after the effective time, Dr. Malone will be required to transfer certain shares of Liberty Broadband Series B Common Stock owned by him to Liberty Broadband in exchange for an equal number of shares of Liberty Broadband Series C Common Stock. *Id.* Likewise, if Dr. Malone’s voting power subsequently falls below 48.5% following any issuance of voting securities or other dilutive event, Applicants explain, Dr. Malone may exchange shares of Liberty Broadband Series C Common Stock on a one-for one basis for the shares of Liberty Broadband Series B Common Stock waived by Dr. Malone or exchanged under the Exchange Agreement to the extent necessary to maintain 49% voting power. *Id.* at n. 4. [↑](#footnote-ref-17)
16. Lead Application, Exh. 1at 7. [↑](#footnote-ref-18)
17. *Id.* Applicants state that three of the seven directors of GCI Liberty (John C. Malone, Gregory B. Maffei and Richard R. Green) also currently serve as members of Liberty Broadband’s six-member board of directors. *Id.* Dr. Malone serves as the Chairman of the Board of both companies, and he and Mr. Maffei are the sole members of the Executive Committees of their respective boards of directors. *Id.* [↑](#footnote-ref-19)
18. *Id.*  Applicants state that Dr. Malone currently beneficially owns shares equal to approximately 4.1% of the outstanding equity and 27.5% of the outstanding voting power in GCI Liberty and beneficially owns shares equal to approximately 3.5% of the outstanding equity and 48.8% of the outstanding voting power in Liberty Broadband. *Id.*  [↑](#footnote-ref-20)
19. *Id.* at 10. [↑](#footnote-ref-21)
20. Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. [↑](#footnote-ref-22)
21. During the time the Commission’s building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient. [↑](#footnote-ref-23)
22. In response to the COVID-19 pandemic, the FCC has closed its current hand-delivery filing location at FCC Headquarters. We encourage outside parties to take full advantage of the Commission’s electronic filing system. Any party that is unable to meet the filing deadline due to the building closure may request a waiver of the comment or reply comment deadline, to the extent permitted by law. *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Filing*,Public Notice, DA 20-304 (rel. Mar. 19, 2020)<https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.  [↑](#footnote-ref-24)
23. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-25)
24. *See* 47 CFR § 63.03(c)(1). [↑](#footnote-ref-26)
25. This is the authorization for the Alaska United East cable. [↑](#footnote-ref-27)
26. This is the authorization for the Cook Inlet Segment of TERRA-SW cable. [↑](#footnote-ref-28)
27. This is the authorization for the AU-Aleutian cable. [↑](#footnote-ref-29)
28. This is the authorization for the AU-SE/SEAFAST cable. [↑](#footnote-ref-30)
29. This is the authorization for the Kodiak-Kenai Fiber Link cable. [↑](#footnote-ref-31)
30. This is the authorization for the Alaska United West cable. [↑](#footnote-ref-32)
31. This is the authorization for the Cook Inlet Segment of TERRA-SW cable. [↑](#footnote-ref-33)