**DA 20-1257**

**Released: October 23, 2020**

**APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF THE SUBSIDIARIES OF**

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

**WC Docket No. 20-292**

By this Public Notice, the Wireline Competition Bureau, International Bureau, Wireless Telecommunications Bureau, and Media Bureau (Bureaus) grant 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, 1.948, 25.119, 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)

On September 18, 2020, the Bureaus released a consolidated public notice seeking comment on the applications.[[5]](#footnote-7) No comments or petitions in opposition were filed.

GCI Liberty, a publicly traded Delaware corporation, holds interests in various companies, including its wholly owned subsidiary, GCI Holdings, LLC (GCI Holdings),[[6]](#footnote-8) 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.[[7]](#footnote-9)

Liberty Broadband, a publicly traded Delaware corporation, wholly owns Skyhook Holding, Inc. (Skyhook),[[8]](#footnote-10) and also owns an approximate 23.4% equity interest (on a fully diluted basis) and a 25.01% voting interest in Charter.[[9]](#footnote-11)

Pursuant to the terms of the proposed transaction, 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.[[10]](#footnote-12) 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; (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; and (iv) Dr. John C. Malone will hold approximately (but not more than) 49% aggregate voting power over all of the securities of Liberty Broadband.[[11]](#footnote-13)

The Applicants state that the two publicly traded companies already share substantial common ownership and management: the Executive Officers of GCI Liberty and Liberty Broadband currently are identical; three of the seven directors of GCI Liberty also serve as members of Liberty Broadband’s six-member board of directors; Dr. Malone serves as the Chairman of the Board of both companies; and 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.[[12]](#footnote-14) Applicants also 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.[[13]](#footnote-15) There are therefore no adverse competitive harms resulting from the proposed transaction, and no commenter has raised claims of other potential harms. We find, upon consideration of the record, that the proposed transfer will serve the public interest, convenience, and necessity.[[14]](#footnote-16)

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), the Cable Landing License Act, 47 U.S.C. §§ 34-39, and sections 1.767, 1.948, 25.119, 63.03, 63.04, 63.18, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.767, 1.948, 25.199, 63.03, 63.04, 63.18, 63.24, and pursuant to the authority delegated under sections 0.51, 0.61, 0.91, 0.131, 0.261, 0.283, 0.291, and 0.331 of the Commission's rules, 47 CFR §§ 0.51, 0.61, 0.91, 0.131, 0.261, 0.283, 0.291, 0.331, we grant the Applications listed in Attachment A to this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice

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; 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; 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 Wireline Competition Bureau grants the application to transfer control of domestic section 214 authority in connection with the GCI Liberty/Liberty Broadband Transaction.

**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[[15]](#footnote-17)  SCL-LIC-20100914-00021[[16]](#footnote-18)  SCL-LIC-20171031-00024[[17]](#footnote-19)  SCL-MOD-20200708-00025[[18]](#footnote-20)  SCL-LIC-20060413-00004[[19]](#footnote-21)  SCL-LIC-20020522-00047[[20]](#footnote-22)  SCL-LIC-20100914-00021[[21]](#footnote-23) |

**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 |

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| --- | --- | --- | --- | --- | --- |
| **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 CFR §§ 1.767, 1,948, 25.119, 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, submarine cable landing licenses, earth station licenses, and broadcast licenses. On September 23, 2020, Applicants filed a supplement to their domestic section 214 application. Letter from Robert L. Hoegle, Counsel to Liberty Broadband Corporation, and Julie A. Veach, Counsel to GCI Liberty, Inc. to Marlene H. Dortch, Secretary, FCC (Sept. 23, 2020) (on file in WC Docket No. 20-292) (stating that Evite, Inc., formerly a wholly owned subsidiary of GCI Liberty, was sold to a third party). [↑](#footnote-ref-6)
5. *Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of GCI Liberty, Inc. to Liberty Broadband Corporation*, WC Docket No. 20-292, Public Notice, DA 20-1106 (WCB 2020). [↑](#footnote-ref-7)
6. Applicants state that besides GCI Holdings, GCI Liberty’s principal assets currently consist of 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-8)
7. Lead Application at 1-2. Applicants provide a list of GCI’s subsidiaries and their Commission authorizations and licenses as Attachment 2. *Id.* at Attach. 2. 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; 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. *Id.* at 2. Applicants also provide descriptions of the GCI Holdings’ operating subsidiaries that provide submarine cable, earth station, fixed and mobile wireless, cable and internet access, broadcast television, and international resale services. *Id.* at 3-4. [↑](#footnote-ref-9)
8. Lead Application, Exh. 1at 4. Skyhook offers mobile positioning and contextual location intelligence solutions. [↑](#footnote-ref-10)
9. *Id.* at 4. [↑](#footnote-ref-11)
10. Lead Application, Exh. 1 at 5. Applicants explain that, pursuant to an August 6, 2020, Agreement and Plan of Merger, at the effective time of the proposed transaction, 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. *Id.* [↑](#footnote-ref-12)
11. *Id.* at 6. 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. *Id.* at 5. On August 6, 2020, Liberty Broadband also entered into an Exchange Agreement (the Exchange Agreement) with Dr. Malone and a revocable trust of which Dr. Malone is the sole trustee and beneficiary, in which, 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.* The Exchange Agreement also includes provisions in the event Dr. Malone’s voting power exceeds 49.5% or falls below 48.5%. *Id.* at n.4. [↑](#footnote-ref-13)
12. Lead Application, Ex. 1 at 7. [↑](#footnote-ref-14)
13. Lead Application at 10. [↑](#footnote-ref-15)
14. *See* 47 U.S.C. § 214(a); 310(d); and 47 CFR § 63.03. *See Joint Application of General Communications, Inc. and GCI Liberty, Inc. for Consent to Transfer Control*, WC Docket No. 17-114, Memorandum Opinion and Order, 32 FCC Rcd 9349, 9356, para.16 (WCB, IB, WTB 2017).

    [↑](#footnote-ref-16)
15. This is the authorization for the Alaska United East cable. [↑](#footnote-ref-17)
16. This is the authorization for the Cook Inlet Segment of TERRA-SW cable. [↑](#footnote-ref-18)
17. This is the authorization for the AU-Aleutian cable. [↑](#footnote-ref-19)
18. This is the authorization for the AU-SE/SEAFAST cable. [↑](#footnote-ref-20)
19. This is the authorization for the Kodiak-Kenai Fiber Link cable. [↑](#footnote-ref-21)
20. This is the authorization for the Alaska United West cable. [↑](#footnote-ref-22)
21. This is the authorization for the Cook Inlet Segment of TERRA-SW cable. [↑](#footnote-ref-23)