KAREN BRINKMANN PLLC
TELECOM, MEDIA & TECHNOLOGY LAW

1800 M Street, NW
Suite 800-North
Washington, DC 20036
Tel: 202.365.0325
KB@KarenBrinkmann.com

September 12, 2016

By Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *Business Data Services In an Internet Protocol Environment; Special Access For Price Cap Local Exchange Carriers,* WC Docket Nos. 16-143 & 05-25; RM-10593

Dear Ms. Dortch:

On Thursday, September 8, 2016, Leonard Steinberg of Alaska Communications, outside counsel Richard Cameron, and I met separately with Claude Aiken, Amy Bender, Nick Degani, Travis Litman and Stephanie Weiner, to discuss the Business Data Services ("BDS") rulemaking in the above-captioned dockets. The enclosed materials were distributed in these meetings.

On Friday, September 9, 2016, Mssrs. Steinberg and Cameron, together with Dave Blessing of Parrish Blessing and Associates, and I met with the following Commission staff on the same subject: Matthew DelNero, Deena Shetler, Pam Arluk, David Zesiger, Bill Kehoe, Marcus Maher, Eric Ralph, and Bill Dever.

In these meetings, Alaska Communications discussed the unique characteristics of the BDS market in Alaska, as described in the company's Comments and Reply Comments in these dockets[1] as well as in the supplemental information filed by Alaska Communications on September 2.[2]

---

[1] *Business Data Services In an Internet Protocol Environment, et al.,* WC Docket Nos. 16-143, 05-25, RM-10593, Comments of Alaska Communications (filed June 28, 2016) ("Alaska Communications Comments"), Reply Comments of Alaska Communications (filed August 9, 2016) ("Alaska Communications Reply Comments"). In the coming days, Alaska Communications expects to further supplement this letter with detailed declarations from its team of experts discussing market dynamics in Alaska, as well as Alaska Communications' BDS market share and pricing trends.

[2] Letter from Karen Brinkmann, Counsel to Alaska Communications, to Marlene H. Dortch, FCC Secretary, WC Docket Nos. 16-143, 05-25, RM-10593 (filed Sept. 2, 2016).

With respect to Alaska's on-road areas, Alaska Communications urged the Commission not to regulate BDS services such as Metro Ethernet that until now have been unregulated and highly competitive. Alaska Communications also urged the Commission to forbear from regulation or grant maximum pricing flexibility – such as Phase II flexibility under the existing rules – to BDS offerings such as DS1 and DS3 that are provided within the interstate access tariff. In 2010 the Commission granted Phase I and Phase II pricing flexibility in the Anchorage MSA, the Fairbanks MSA, and the Juneau non-MSA area.[3] That flexibility should now be granted state-wide. There have been no complaints of any anti-competitive behavior in the on-road areas of Alaska Communications' price cap service area. Extending this pricing flexibility to the entire on-road service territory of the Alaska Communications incumbent local exchange carriers ("ILECs") would facilitate competition, stimulate investment and innovation, and reduce administrative burdens.

Alaska Communications observed that in off-road areas, while a bottleneck exists, it is not the ILEC but the middle mile (interexchange) provider that enjoys an unregulated monopoly. The Commission cannot open these Bush communities to competition for BDS offerings until it confronts the lack of access to affordable, adequate middle-mile facilities to the Bush. Moreover, it would be irrational for communities served by the price cap ILEC to be more heavily regulated than the communities served by the state's rate-of-return ILECs.

Please direct any questions regarding this matter to me.

Very truly yours,

Karen Brinkmann
Counsel to Alaska Communications

Enclosure

[3] *Petition of ACS of Anchorage, Inc., ACS of Alaska, Inc., and ACS of Fairbanks, Inc. for Pricing Flexibility,* Order, 25 FCC Rcd 7128 (Wireline Competition Bur. 2010).