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Ex Parte Notice

May 4, 1998

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Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: General Communication, Inc. CC Docket 98-4

Dear Ms. Salas:

This letter reports that on May 1, 1998 representatives of General Communication, Inc. (GCI) met with Alex Starr and Eric Bash of the Commission's Common Carrier Bureau. GCI representatives discussed positions set forth in the company's pending Petition for Pre-emption of Section 52.355 of the Alaska Administrative Code. 3 AAC § 52.355.

GCI representatives also discussed the concern that pre-emption of the Alaska rule would jeopardize universal service. As the petition makes clear, the challenged regulation precludes facilities based competition in long distance services provided to the Alaska bush. Long distance services are provided today by AT&T which itself supports GCI's petition. Because of AT&T's size and financial resources, it is inconceivable that facilities based competition from GCI could hinder or impede AT&T's ability to serve the Alaska bush. Moreover, state and federal regulatory limitations preclude rate deaveraging which could disadvantage rural Alaska consumers. Section 254(g) of the Communications Act requires that rural subscribers be charged rates no higher than those available in urban areas. Policy and Rules concerning the Interstate Interexchange Marketplace, CC Docket 96-61, 11 FCC Rcd. 9564 (1996). Likewise, the Alaska Public Utilities Commission has adopted a similar requirement applicable to rural Alaska:

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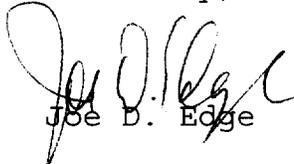
The retail rates for message telephone service of each interexchange carrier must be geographically averaged ...  
3 AAC 52.3709(a)

Geographically averaged rates means rates that use the same tariff provisions and rate schedules to apply to all message telephone service communications of the same distance, regardless of the originating and terminating points of the communications. 3 AAC 52.399(c).

GCI representatives described the significant time period required to seek individual waivers under the challenged Alaska regulation. GCI's waiver request for its existing 50-site demonstration project was filed June 22, 1995. Eight parties including the Commission's staff intervened in the APUC waiver proceeding. The APUC held a full evidentiary hearing on the request and heard the testimony of ten witnesses. The Commission's decision was issued December 8, 1995 and a petition for reconsideration was denied January 26, 1996. A similar time cycle can be expected for future waiver requests because the same parties will likely intervene and the Commission will likely hold an evidentiary hearing. Thus, even though a waiver procedure may be available, there is no guarantee that a waiver will be granted and the burdensome requirement for a waiver places GCI at a serious disadvantage with respect to AT&T in attempting to compete in the Alaska bush.

GCI was represented at the meeting by Kathy L. Shobert, its Manager of Regulatory Affairs, and the undersigned.

Sincerely,



Joe D. Edge

JDE:abt  
cc: Alex Starr  
Eric Bash