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DEPARTMENT OF COMMUNITY AND
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REGULATORY COMMISSION OF ALASKA

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September 18, 2000

Magalie Roman Salas
Office of the Secretary
Federal Communications Commission
445 Twelfth Street S.W.
Washington, D.C. 20554

Re: Ex parte communications
CC Docket No. 00-46 /

Dear Ms. Salas:

The attached exparte letter was sent to the Commissioners of the Federal Communications Commission during the week of September 18, 2000.

Sincerely,



Lorraine Kenyon
Common Carrier Specialist

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September 15, 2000

The Honorable William E. Kennard, Chairman FCC
The Honorable Susan Ness
The Honorable Michael K. Powell
The Honorable Harold Furchtgott-Roth
The Honorable Gloria Tristani

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Re: CC Docket No. 00-46

Dear Commissioners:

On March 10, 2000, AT&T Corp. (AT&T) and Alascom, Inc. (Alascom) filed a Petition with the Federal Communications Commission (FCC) proposing significant changes to FCC policies governing the Alaska interstate market structure. Through its April 10, 2000, filing in CC Docket No. 00-45, the Regulatory Commission of Alaska (RCA) notified the FCC that we would be unable to effectively comment on the Petition by the FCC's comment deadline because of a pending docket on intrastate interexchange market structure regulation review (Docket R-98-1). Many of the same issues pending before the FCC in CC Docket No. 00-45 are before us in Docket R-98-1. Specifically, we must evaluate whether to lift an existing state restriction on facilities construction in rural areas, whether Alascom remains a dominant carrier, carrier of last resort policies, abandonment of service rules, wholesale and retail rate policies and other matters.

The RCA is in the final stages of Docket R-98-1, yet significant work remains before we can provide the FCC with our analysis of policy issues. We received extensive comments. Our staff completed a detailed analysis of market dominance, facilities construction, and carrier of last resort issues. We publicly reviewed all of the R-98-1 issues, except the rate issues, last month. At public meeting, we decided to repeal our restriction on where non-dominant interexchange carriers may construct facilities. ATT/Alascom is still the

dominant carrier in the interexchange market. ATT/Alascom is the only carrier serving many small rural communities. We agreed that our regulations should allow other carriers to assume carrier of last resort obligations only if we can protect the existing standard of affordable service to every community in the state with more than twenty-five residents. None of the proposals we received adequately achieved that standard, and we are developing an alternative. We are therefore in the process of collecting additional market data to evaluate the level of competition by service in different areas of the state. We expect responses from the carriers by the end of October.

As the FCC is aware, Alaska market structure issues are both complex and controversial. We must proceed carefully given that decisions made will affect consumer rates, continued viability of competition, availability of advanced services, and infrastructure development throughout the state. It is critical that these issues are given adequate review prior to decision.

We are committed to finalizing our proceeding as expeditiously as possible. We recognize the need to coordinate the modification of our state dominant carrier rules with changes to the federal policies and will continue to coordinate on these issues through our staff. We continue to urge the FCC to withhold decision on CC Docket No. 00-45 issues until we have had an opportunity to conclude our analysis in Docket R-98-1. We anticipate concluding our docket by the end of the year.

RESPECTFULLY SUBMITTED this 15th day of September, 2000.



G. Nanette Thompson
Chair
Regulatory Commission of Alaska

cc: Magalie Roman Salas
William A. Kehoe III