



August 7, 2003

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**EX PARTE – VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

Re: CC Docket No. 96-45  
Notice of Oral and Written Ex Parte Presentation

Dear Ms. Dortch:

Today, John Nakahata and Maureen Flood, of Harris, Wiltshire and Grannis, and I met with Bill Maher, Chief, and Carol Matthey, Deputy Chief, of the Wireline Competition Bureau. Consistent with its filings in this proceeding, GCI stated that equal per-line support for ETCs in the same market is necessary to ensure that carriers compete based on the same relative cost relationship as would otherwise exist in the absence of a subsidy. GCI emphasized that the goals of basic universal service would be met, and sustainability of the fund would be served, through the implementation of a primary line restriction and capping the per-line support amount upon CETC entry. GCI also stated that any concerns about service quality in connection with the provision of basic support service could be addressed through the establishment of competitively neutral service standards, and that USF support policies should not be established based on the assumption that no CETC provides service at a level of quality that would meet such standards. GCI also demonstrated that rural consumers in Alaska have benefited where competition is permitted, in the form of access to bundled services that have not been made available in areas where competition is not permitted.

In addition, GCI stated that proposals to calculate support based on individual carrier costs would be unworkable, would reduce incentives for carriers to reduce costs, and would likely result in increased demands on the fund. The attached documents were provided during the meeting.

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In accordance with the Commission's rules, a copy of this letter with attachments is being filed in the above-captioned proceeding.

Sincerely,

/s/  
Tina M. Pidgeon  
Vice President, Federal Regulatory Affairs

Attachments