Three Unexamined Questions Regarding ILEC Assertions of COLR Costs

1. *What costs would the ILEC have incurred even in the absence of a COLR requirement?* Many customers are profitable to serve, even in the absence of a carrier of last resort requirement. In those areas, the ILEC would build facilities even if it were not a COLR. In Alaska, GCI has built facilities without being a COLR, including to areas that were not previously served. The costs of these facilities that would be built even in the absence of a COLR requirement cannot properly be considered to be COLR costs.

2. *With respect to the costs of constructing, maintaining and operating facilities to serve customer locations that the ILEC would not have built, but for the COLR requirement, how much of these costs, if any, is not covered by ILEC line extension fees or the rates charged to the customer served at that particular location?* ILEC line extension fees are a routine part of ILEC tariffs and are set recover the costs of serving areas that are not close to existing facilities. The costs covered by these fees, as well as costs covered by the standard customer charges (including vertical features that can dramatically affect the profitability of serving the customer), cannot be included in any true measure of "COLR costs."

3. *With respect to any remaining net "COLR costs," if any, why isn't disaggregation of support to target these very high cost areas an adequate mechanism to prevent "cherry-picking"?* If the ILEC chose to submit a self-designated disaggregation plan, the ILEC can always submit a different plan, subject to the approval of the state commission.