

## Estimated impact of AT&T/Alascom's mischaracterization of intrastate minutes on GCI's 2003 intrastate access charge payments

AT&T/Alascom avoided intrastate access charges on approximately 87 million intrastate debit card minutes (AT&T Alascom Response to Discovery, RCA Docket No. U-03-49 (March 1, 2004)).

### Carrier Common Line

Alaska Exchange Carrier Association's (AECA) approved revenue requirement was \$26,339,646 for 2003. Each month, IXCs are billed their proportionate share of the monthly CCL recovery amount based on relative percentages of reported access minutes. AT&T/Alascom's exclusion of intrastate debit card minutes unfairly shifted almost \$1.7 million in CCL costs to GCI.

	Percentage share of CCL obligation, based on self-reported intrastate minutes	Approximate billed CCL	Percentage share of CCL obligation if 87 million AT&T/Alascom intrastate minutes are included	Approximate share of CCL obligation with unreported minutes included	AT&T/Alascom intrastate obligation paid for by other IXCs
Alascom	56.3%	\$ 14,828,881	63.8%	\$ 16,802,337	
GCI	37.3%	\$ 9,834,142	30.9%	\$ 8,148,133	\$ 1,686,009
ACS LD	5.5%	\$ 1,454,591	4.6%	\$ 1,205,209	\$ 249,382
MCI	0.8%	\$ 222,032	0.7%	\$ 183,966	\$ 38,066
	100.0%	\$ 26,339,646	100.0%	\$ 26,339,646	\$ 1,973,457

### Traffic Sensitive

The 2003 traffic sensitive per minute rate was overstated by 23 percent because the demand to calculate—which excluded the AT&T/Alascom intrastate debit card minutes—was understated. If the 87 million AT&T/Alascom intrastate minutes had been included in the demand to calculate the rate, GCI's traffic sensitive rate payments would have been reduced by \$347,069 or almost 20 percent. There is no true-up process for traffic sensitive intrastate access rates to address these overcharges.

**Very similar impacts—if not greater due to increasing calling card use—are expected in 2004.**