



**Summary of Oral *Ex Parte*, July 1, 2004**

**AT&T Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services; WC Docket No. 03-133**

- Consistent with its filings in the docket, GCI urges swift Commission denial of the AT&T Petition. By falsely classifying calls that originate and terminate in the 907 area code for Alaska as “interstate”, AT&T Alascom has wrongly shifted millions of dollars in intrastate cost recovery from itself to GCI. Commission denial of the Petition should facilitate GCI’s rightful recovery of these overpayments from AT&T Alascom
- In addition, AT&T has reportedly shirked over \$140 million in universal service contributions by further theorizing that the debit card traffic is an “enhanced” service, a theory that GCI and other carriers have unanimously refuted in prior filings in the docket.

**Investigation of Alascom, Inc., Tariff F.C.C. No. 11; CC Docket No. 95-182  
Petition of AT&T and Alascom to Eliminate Conditions; CC Docket No. 00-46**

- The issues raised by the AT&T and Alascom petition to be released from separate affiliate, accounting, and tariffing requirements in connection with Alascom’s Common Carrier Service cannot be segregated from issues raised in the long-pending Tariff 11 investigation. The Common Carrier Services tariff was adopted after a ten-year proceeding to determine the market structure that would best ensure investment in quality services to Alaska—particularly in facilities to deliver services to the Bush, foster competition by preventing the subsidization of non-bush areas with higher rates to the bush areas, and ensure nondiscriminatory service offerings to other carriers. GCI strongly objects to the AT&T and Alascom proposal that this structure be abandoned.
- As GCI has previously explained on the record of this proceeding, the resolution of issues pending in the Tariff 11 investigation—including the assessment of different switching rate levels for bush and non-bush minutes, even though Alascom utilizes the same switch for all traffic—are part and parcel with the AT&T and Alascom longstanding request to combine and be released from separate subsidiary, affiliate transaction, and cost accounting requirements. Such tariff issues would have to be resolved in order to determine whether a price cap tariff offering, as GCI identified in its initial opposition to the petition, presents a viable approach that continues to satisfy the goals of the *Alaska Market Structure* proceeding: preserve universal service; continue rate integration;

maintain revenue requirement neutrality; allow market-based competitive entry; and encourage increased efficiency.

- With over 150 sites served only by Alascom, oversight is still required to ensure against subsidy of the Common Carrier Service to the non-Bush through above-cost rates for the Bush, thereby raising the cost of services to those Bush communities where other carriers do not have a facilities-based competitive alternative. AT&T has not demonstrated why it should be allowed to achieve this discriminatory and anti-competitive result by being relieved of any tariff filing obligation whatsoever for the Common Carrier Services.