

<A>: One market doesn't have access today.

<Q>: By design.

Operator: Thank you. [Operator instructions] our next question comes from James Lee, you may ask your question. Please state your company name.

<Q – James Lee>: Americas Growth Capital. Ron on the DLPS, can you just comment about the MDU [ph] boxes. I think lastly you talked about average – your supply is shipping new boxes we are testing it, I'm just wondering how that's going?

<A – Ronald Duncan>: We still don't have deployable versions of the MDU box, I know there is a box in the lab, I think we are close on that, I haven't had an update on that recently. We are also continuing explore, I think several flavors of T1 of – boxes for deployment in both the MDU and the commercial environment but I don't think those are ready for primer time yet.

<Q>: So, we just want to get a percent – better sense of the guidance the 20,000, you know, switching over to DLPS does that include any MDU units being deploy over the next few quarters?

<A>: We are deploying in MDUs now, we are not deploying as efficiently as we would like. Because we are staking up the four port average boxes on top of each other rather than using whether it will be the 10 of the 12 port box which would consume less space and be more power efficient. We are also moving to in-home, home powered units for the number of the MDU applications that are quite suitable for number of our apartment customers. So, we are using the full suite of technology, I don't think that we are unhappy with where we are on box deployment, I would still like to have that 12 or 24 line box in a single form factor with one internal battery. But, we haven't quite got all the box we haven't got that yet, we didn't this last time I looked. But, I may not have the most current information as of the last two or three weeks. But, the 20,000 goal would be the net DLPSs across the entire system. And actually, maybe not even just DLPS it may include alternate cable-based technologies, as well as we expand our service offering here, but it would be the net ads all at our own facilities this year.

<Q – James Lee>: May be Ron, you can talk about the economics a little bit the current way you are deploying the MDU units like on approved sub basis, how much – is that so much different than what you deploy to the individual homes?

<A – Ronald Duncan>: You know, I don't even know what the multi port with the 12 or 10 or 12 port MDU box is going to cost us. The numbers on the MDUs are probably a little bit better on the four port box and they would be on a single family home. Because the probability of using all four ports is very, very high when you are in a 10 or 12 or 24 plugs whereas I think four that box on homely mainly go up two or three of the boards. But, I don't have the – I don't have any specific breakout James in terms of the dollars per customer, I do know that when we move to the in-home power units, the deployment cost goes down dramatically both because the box cost it comes in integrated cable modem. And MTI for the phone of the box cost goes down very dramatically compared to the exterior unit you also save money on plant powering. So, I would expect the average cost of deployment per home to continue to decrease as it has over the first year or two year.

<Q – James Lee>: Okay, great. And maybe Ron can you elaborate on the wireless side a little bit, maybe you can talk about the marketing activity, it seems like you haven't really kicked up the marketing engines even the number of subs you add this quarter. Do you plan to do that over next couple of quarters or given the fact that you are not making that much money on the wireless side, is that want to keep that on the steady phase as opposed to ramp it up.

<A – Ronald Duncan>: I thought adding 4,000 wireless customers in the first quarter was pretty good. So, we are unhappy with that, it fits with our targets for the year and the phase may pickup just a little bit there. But, I think there are some limits as to just how fast you can add those customers. So, I'm not at all unhappy with the level of wireless ads, I think particularly the consumer marketing team has done a very good job, we are very visible on the wireless market here now. And, there was a lot of conversion to GCI wireless in the first quarter and I think it's helping to drive our bundle sales and another ways as well.

<Q – James Lee>: Great, last question is here. Ron maybe you can give some update on the contract I believe you have lost to six wireless I think it was in the queue maybe Q3 of last year. Maybe you can sort of bring us upto day and status and the contract today actually terminate the agreement you have or is this still sort of ongoing as of now?

<A – Ronald Duncan>: With respect to fixed wireless?

<Q – James Lee>: Yeah, I believe it's the contract that AT&T may have won.

<A – Ronald Duncan>: That's how I have to do with the microwave network. Now, we are still providing service under that contract and still negotiating what arrangements would be used to keep our fibre in place as an alternate facility for that. So, the revenue stream may have diminished a little bit, but there is no net change here. And I can't give you a target for the discontinuance of that although we expect it to be this year.

<Q – James Lee>: Okay, great. Thanks.

<A – Ronald Duncan>: Sure, James.

Operator: Thank you. And at this time, I will turn the call over to the speakers for closing remarks.

Company Representative

Great, thank you very much. I wanted to clarify one item, Bret tells me that MCI credit was allocated to each other for our business units. So, rather than the earlier answer I gave you, but that basically wraps it up. I know lot of you are going to have a number of questions in terms of the new formats and so on, I encourage you track down Pete and Bruce and help guide you for your models and so on. That will wrap it for now. And thank you all very much for your participation.

Operator: Thank you. And that does conclude today's conference, we do thank you for your participation. At this time, you may disconnect your line.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of CallStreet, LLC. CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted CallStreet, LLC 2004. CallStreet and CallStreet, LLC are trademarks and service marks of CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.

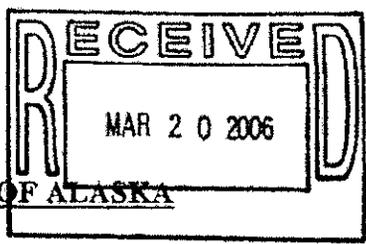
Exhibit E

GCI COMMUNICATION INC.
2650 Denali Street, Suite 1000
ANCHORAGE, ALASKA 99503-2781
PHONE: (907) 265-5545

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA



Before Commissioners: Kate Giard, Chairman
Dave Harbour
Mark K. Johnson
Anthony A. Price
James S. Strandberg

In the Matter of the Investigation Into the On-)
Going Compliance of General Communication,)
Inc. With AS 42.05.241 with Regard to Study)
Areas Certificated in Docket U-05-4.) U-06-023
_____)

GCI MOTION TO DISMISS PETITION

INTRODUCTION

GCI Communication Corp. d/b/a General Communication, Inc. and GCI ("GCI") hereby moves for a dismissal of the above-captioned petition on the grounds that the filing is a sham and there is nothing to investigate. ACS claims that "new evidence has surfaced that casts grave doubt on GCI's fitness, willingness and ability to serve in the manner GCI repeatedly represented in its Application and on which the RCA relied in granting the amendments to GCI's Certificate of Public Convenience and Necessity No. 489." ACS Petition at 2. This "new evidence" is simply the fact that GCI has requested and discussed obtaining services under section 251(c) with ACS as well with other LECs in interconnection negotiations. This fact, which GCI fully admits, does not establish any impropriety, misrepresentation, or a violation of certificate conditions by GCI

GCI COMMUNICATION INC.
2550 Denali Street, Suite 1000
ANCHORAGE, ALASKA 99503-2781
PHONE: (907) 265-5545

1 that would remotely justify an investigation let alone a suspension of GCI's
2 recently approved certificate amendments.

3 This "new evidence" does not change anything with respect to the
4 assumptions under which the Commission approved GCI's certificate
5 amendments. As GCI has repeatedly explained in Docket U-05-4, GCI's
6 Application did not and still does not depend on access to interconnection services
7 under section 251(c). ACS (and the Rural LECs similarly in their petition for
8 reconsideration filed in Docket U-05-4) has seriously misconstrued and twisted
9 this representation. What this representation means simply is that GCI
10 demonstrated its ability and fitness to serve the areas set forth in its Application
11 without access to interconnection services under section 251(c). What it does not
12 mean, however, is that GCI in any way waived its right to request such services or to
13 exercise any other right under the Communications Act in the future to improve its
14 ability to effectively compete with ACS or any of the rural LECs. The "new
15 evidence" ACS proffers does not cast any doubt on GCI's ability or willingness to
16 serve; it only demonstrates that GCI is exploring certain legal rights under the
17 Communications Act it continues to retain.

18 For the additional service areas that GCI agreed to serve, which the
19 Commission imposed on GCI in Order U-05-4(6) to protect the rural LECs, GCI
20 was not required to and did not make any representations regarding how it would
21 provide service. Thus, the "new evidence" ACS relies on its petition is completely
22 irrelevant to these service areas.

1
2
3
4
5
6
7
8
9
10
11
12
13

To be blunt, the ACS filing is shameless.¹ It essentially repeats the same inaccurate claims and mischaracterization of GCI's Application that are the subject of the petition for reconsideration filed by Interior Telephone Company, Inc., Mukluk Telephone Company, Inc. and United-KUC (RLECs) in Docket U-05-4 on February 21, 2006, which is pending before the Commission. ACS, just like the RLECs, is looking for any conceivable reason (no matter how far-fetched or groundless the claim may be) to frustrate GCI's efforts to expand local competition in the state. The RCA must act swiftly and put a stop to these sham filings.²

¹ This filing puts into a deep freeze (beyond a chill) any negotiation or settlement talks that GCI had contemplated pursuing with ACS. ACS has made it clear that it will not negotiate in good faith.

² While GCI has often considered the possibility of filing a petition for revocation of ACS' certificate for genuine and compelling reasons relating to ACS' efforts to frustrate competition (e.g. refusing to provide non-discriminatory service to GCI customers, Docket U-02-97, refusing to abide by its Carrier of Last Resort Obligations, Docket U-01-37, improper waiver of tariff charges to induce customers to switch, Docket U-01-43, improper and deliberate sabotage of GCI lines through the use of RF filters, discussed in Docket U-96-89), GCI exhibited restraint and refrained from taking such action. The present filing by ACS, however, will open a new chapter on such filings if the RCA countenances such misuse of its process as that exhibited by ACS' petition. If the RCA accepts the meritless claims by ACS as a basis to investigate or suspend GCI's certificate, GCI will be motivated to "take the gloves off" and pursue

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

ARGUMENT

I. GCI HAS NEVER WAIVED LEGAL RIGHTS UNDER THE COMMUNICATIONS ACT, AND THE COMMISSION DID NOT IMPOSE CERTIFICATE CONDITIONS FORCING GCI TO SURRENDER SUCH RIGHTS

Distilled to its essence, ACS claims that GCI represented to the Commission in its Application in Docket U-05-4 that it would serve the 10 study areas exclusively over its own facilities or in combination with resale at retail and not seek any interconnection services under section 251(c). ACS Petition at 4-11. ACS reasons that “new evidence” regarding GCI’s efforts to merely discuss services under section 251(c) with various LECs, including ACS, therefore, “casts doubt” on GCI’s ability to serve and is contrary to representations made to the Commission. The defect in this reasoning is that GCI never represented that it would waive any of its rights under the Communications Act, and the Commission did not impose (nor could have imposed) certificate conditions forcing GCI to surrender such rights.

When GCI first filed its Application in Docket U-05-4, it presented its plans for providing service to the requested service areas over a 5-year time frame with more of a conceptual rather than a specific discussion of exactly how service would be provided. GCI provided a conceptual discussion based on the fact that telecommunications technology is constantly evolving and in view of this fast-paced environment future deployment of service may differ from any specific

similar remedies against ACS but on grounds far more substantial and genuine than

1 plans GCI has today. Additionally, when GCI filed its application, it did not want
2 the Commission's review to be diverted by the RLECs (who are always looking
3 for any reason to slow-roll competitive entry to preserve their monopoly status) to
4 irrelevant, tangential issues relating to the rural exemption. Accordingly, GCI
5 explicitly explained to the Commission that its Application did not depend on
6 access to services under section 251(c). GCI explained that:

7 GCI will offer service in these new areas using a combination
8 of methods. To a large extent, GCI will deliver "cable
9 telephony" services over its existing cable systems in these
10 areas. GCI may also employ wireless systems and resale of
11 other carriers' services. *When and where available in the
12 future, GCI may also use unbundled network elements and
13 "wholesale resale" from incumbent local exchange carriers.*
14 However, this application is not dependent on the availability
15 of unbundled network elements, wholesale resale, or a
16 decision by the Commission on whether or not the affected
17 local exchange companies have or should retain a rural
18 exemption.

19 GCI Application at 3-4 (emphasis added). What this representation simply meant
20 is that GCI's Application should be (and ultimately was) evaluated on the basis of
21 its ability to provide service without access to interconnection services under
22 section 251(c). This representation, however, did not mean that GCI in any way
23 waived or disavowed its rights under the Communications Act to seek 251(c)
24 services in the future. On the contrary, as noted in the bold-faced language above,
25 GCI specifically reserved such rights.
26

those presented by the ACS petition.

1 In response to GCI's Application, as ACS recites in its petition, the
2 Commission and its Staff subsequently sought greater specificity from GCI with
3 respect to exactly how service would be provided. On March 22, 2005, GCI
4 accordingly provided the Commission with greater specificity explaining exactly
5 how service would be provided if immediately deployed today. As GCI
6 explained:

7 Finally, GCI's application described plans for providing
8 service with an understanding that with the fast pace of
9 change in the telecommunications industry, actual
10 installations in the future are likely to differ from any plan set
11 out today. *GCI now recognizes that it should simply*
12 *describe how service would be provided if the plan could be*
13 *implemented immediately, recognizing that circumstances*
14 *may change before service is actually installed.*

15
16 GCI Letter dated March 22, 2005 at 2 (ACS Exhibit E) (emphasis added). In
17 providing greater specificity regarding exactly how GCI would provide service
18 "immediately," GCI did not discuss section 251(c) services because GCI does not
19 presently have access to such services (with the exception of Ketchikan Public
20 Utilities, which has voluntarily forfeited its rural exemption by virtue of its
21 decision to compete in the video programming market). GCI's explanation was
22 consistent with its request that the Application be reviewed and evaluated without
23 regard to GCI's access to services under section 251(c).

24 Incredibly, ACS argues that the specificity GCI provided in response to
25 the Commission's questions about how service would be immediately provided
26 today amounts to a representation by GCI that it would never request services

1 under section 251(c) in the future. This extrapolation by ACS is absurd. GCI
2 never departed from its reservation of rights set forth in its initial application filing
3 nor subsequently made any statement to the effect that it would be willing to waive
4 any of its rights under the Communications Act in the future, including the right to
5 seek services under section 251(c), or the right to obtain ETC status under section
6 214 in the future to more effectively compete with the various rural LECs and
7 improve its ability to extend service to rural consumers. ACS' claim that GCI has
8 "misled" the Commission is based on its own fanciful and unsupported
9 interpretation of the record.

10 ACS' "misrepresentation" claim is particularly inapt for the additional
11 service areas the Commission imposed on GCI in Order U-05-4(6) to protect the
12 RLECs. For these additional areas, GCI made no representation regarding exactly
13 how service would be provided and similarly did not in any way waive any rights
14 under the Communications Act. On the contrary, GCI explicitly reserved all such
15 rights when it submitted its acceptance of the additional service area requirements.
16 *See* Compliance Filing dated February 24, 2006 filed in Docket U-05-4.

17 Notably, when the Commission approved GCI's Application in Order U-
18 05-4(1) and U-05-4(6), it did not attempt to impose any conditions restricting
19 GCI's rights under the Communications Act.³ Thus, ACS' claim that GCI is

³ Frankly, GCI does not believe the Commission could have imposed certificate conditions forcing GCI to surrender any of its rights under the Communications Act. Any such attempt, at a minimum, would have violated section 253's prohibition on erecting barriers to competitive entry. As explained in GCI's Opposition to the

GCI COMMUNICATION INC.
2550 Denali Street, Suite 1000
ANCHORAGE, ALASKA 99503-2781
PHONE: (907) 265-5545

1 refusing to accept the RCA's conditions, ACS Petition at 15, plainly is nuts. ACS
2 is trying to manufacture new conditions to restrict GCI's rights under the
3 Communications Act that do not exist. There is no evidence that GCI has violated
4 any of the genuine certificate conditions set forth in Order U-05-4(1) and U-05-
5 4(6). On the contrary, GCI is and remains fully willing to comply with the
6 conditions set forth in these orders.

7 At bottom, GCI's recent efforts to explore and discuss the potential for
8 obtaining section 251(c) services with the various LEC are not contrary to any
9 representations made to the Commission, do not violate any of the conditions in
10 the recently approved Certificate amendments, and are not in any other way
11 improper. GCI continues to retain all of its rights under the Communications Act,
12 including the right to seek services and elements under section 251(c) from any of
13 the rural ILECs or to seek a termination of their rural exemptions to obtain such
14 services, and the right to apply for ETC status in the future.

15 **II. GCI'S ETC PLANS ARE IRRELEVANT AND PROVIDE NO BASIS TO**
16 **INVESTIGATE OR SUSPEND GCI'S CERTIFICATE AMENDMENTS**

17
18 ACS also argues that there is "new evidence" demonstrating that GCI has
19 plans to file for ETC status and that this "raises additional questions regarding both
20 the short term and long term viability of GCI entering any of these markets." ACS

RLEC's Petition For Reconsideration filed in Docket U-05-4, the Commission went as far as it legally could go under section 253(f) to protect the Rural LECs by imposing additional service area requirements on GCI.

GCI COMMUNICATION INC.
2550 Denali Street, Suite 1000
ANCHORAGE, ALAS. CA 99503-2781
PHONE: (907) 265-5545

1 Petition at 17. This “new evidence” is as unavailing as the “new evidence” ACS
2 presents regarding GCI’s efforts to discuss services under section 251(c).

3 As explained above, GCI has never made any representation to the
4 Commission that it would waive any of its legal rights under the Communications
5 Act. That GCI may seek ETC status in the future to improve its ability to extend
6 new services to consumers and to more effectively compete with ACS or any of
7 the other LECs does not “cast doubt” or “raise questions” about GCI’s ability and
8 willingness to fulfill its certificate obligations. GCI demonstrated its fitness to
9 serve without regard to access to universal service funding. This does not mean,
10 however, that GCI would not be entitled to and should not receive universal
11 service consistent with the goals and the principles of competitive neutrality in
12 section 254 in a future ETC proceeding. For the additional service areas GCI
13 agreed to accept, this is particularly true given that the Commission imposed
14 additional service area requirements on GCI in Order U-05-6(6) in order to ensure
15 that there is fair competition between GCI and the rural LECs. Clearly, for
16 competition to be fair, GCI must also have access to universal service funding.

17 The Commission previously rejected ACS’ attempt to drag ETC issues
18 into the certification proceeding. Order U-05-6 at 16. ACS’ attempt to open an
19 investigation of GCI’s compliance with its certificate conditions based on GCI’s
20 plans to seek ETC in the future is crazy: there plainly are no certificate conditions
21 prohibiting GCI from seeking ETC status in the future. This is yet another wild and

GCI COMMUNICATION INC.
2550 Denali Street, Suite 1000
ANCHORAGE, ALASKA 99503-2781
PHONE: (907) 265-5545

1 frivolous attempt by ACS to create restrictions on GCI that do not exist and could
2 not, in GCI's view, even be lawfully imposed on GCI.

3 **III. THERE IS NOTHING TO INVESTIGATE AND NO LEGIMATE**
4 **REASON TO SUSPEND GCI'S CERTIFICATE**

5
6 As explained above, there is no "new evidence" demonstrating that GCI
7 has violated any certificate conditions or "misled" the Commission. The "new
8 evidence" simply demonstrates that GCI is exploring certain legal rights under the
9 Communications Act that it never waived.

10 Under the terms of the orders approving GCI's certificate, GCI has five
11 years within which to deploy service to all customers in the 10 study areas.
12 During this time, the Commission will monitor GCI's progress toward fulfilling its
13 obligation to provide service over the 5 year time frame, and GCI is required to
14 submit quarterly reports on its progress in this regard. GCI understands fully that
15 it is obligated to meet its certificate obligations to offer service to all customers in
16 the ten study areas within the five year time frame irrespective of whether it has
17 access to services under 251(c). Nonetheless, GCI has the right under the
18 Communications Act to explore the possibility for obtaining services under section
19 251(c) and the right to petition for ETC status in the future. The ACS petition does
20 not provide any legitimate grounds to investigate GCI's fitness to provide service
21 and certainly no basis to suspend GCI's certificate. Simply stated, there is nothing
22 to investigate.

23

GCI COMMUNICATION INC.
2550 Denail Street, Suite 1000
ANCHORAGE, ALASKA 99503-2781
PHONE: (907) 265-5545

1 CONCLUSION

2 For the foregoing reasons, the Commission should promptly dismiss
3 ACS' frivolous petition. The filing is a sham. The evidence ACS proffers simply
4 shows that GCI is exploring certain legal rights under the Communications Act that
5 it never waived. In truth, the ACS petition essentially manufactures certificate
6 conditions that do not presently exist (nor could even be lawfully imposed on GCI)
7 in an attempt to disable GCI's rights under the Communications Act and hamstring
8 GCI's ability in the future to extend service to rural consumers and effectively
9 compete. Worse, the petition requests an investigation and even a suspension of
10 GCI's certificate amendments on the basis of GCI's violation of these non-existent
11 certificate conditions. As GCI bluntly stated at the outset, the ACS petition is
12 shameless.

13 DATED: March 20, 2006

14 Respectfully submitted,

15 GENERAL COMMUNICATION, INC.

16 By: Martin Weinstein

17 Martin Weinstein
18 Regulatory Attorney

19 VERIFICATION

20 I, Martin Weinstein, verify that I believe the statements contained in this
21 pleading are true and accurate.

22 Martin Weinstein
23 Martin Weinstein

Exhibit F

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Petition of ACS of Anchorage, Inc. Pursuant to)	
Section 10 of the Communications Act of 1934, as)	WC Docket No. []
amended (47 U.S.C. 160(c)), for Forbearance from)	
Certain Dominant Carrier Regulation of Its)	
Interstate Access Services, and for Forbearance)	
from Title II Regulation of Its Broadband Services,)	
in the Anchorage, Alaska, Incumbent Local)	
Exchange Carrier Study Area)	

STATEMENT OF MITCHELL ANDREW COON

1. I currently serve as Government Sales Manager for Alaska Communications Systems, the parent of ACS of Anchorage, Inc. (“ACS”). I have at total of 10 years of experience in the Alaska telecommunications industry: eight years as Vice President of Sales for General Communication, Inc. (“GCI”) and two years with Alaska Communications Systems, all of this experience in Anchorage.

2. GCI has captured a large portion of the Anchorage telecommunications market within five years after its entry into the Anchorage local exchange market. One vehicle by which GCI accomplished this was the “Guaranteed Value” contract GCI provided its business customers. Under this tariff, GCI essentially promised its customers that it would provide them with the best value (i.e., price) for a range of telecommunications services including local, long-distance, and broadband. If a competitor offered a GCI customer a better price—at any time during the term of the contract—and GCI did not match that offer, the customer could cancel the GCI contract without penalty. Additionally, ACS customers who switched to GCI during this

five-year period informed ACS employees that GCI would reimburse them for the cost of any contract termination penalties assessed for the switch.

3. Following the success of GCI's Guaranteed Value program, ACS instituted its own Guaranteed Value Service in order to be competitive. Currently, both GCI and ACS operate under customer contracts with the Guaranteed Value concept. Because both companies filed a tariff to cover this promotion, all contracts with business customers include the Guarantee Value concept. As such, each company must reprice its services when a customer under this type of contract receives a competitive offer, or face losing the customer, who may then accept the better competitive offer without penalty.

Respectfully submitted,

/s/ Mitchell Andrew Coon
Mitchell Andrew Coon
600 Telephone Avenue
MS 60
Anchorage, AK 99503-6091

Exhibit G

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petition of ACS of Anchorage, Inc. Pursuant to)	
Section 10 of the Communications Act of 1934, as)	WC Docket No. []
amended (47 U.S.C. 160(c)), for Forbearance from)	
Certain Dominant Carrier Regulation of Its)	
Interstate Access Services, and for Forbearance)	
from Title II Regulation of Its Broadband Services,)	
in the Anchorage, Alaska, Incumbent Local)	
Exchange Carrier Study Area)	

STATEMENT OF MARK ENZENBERGER

1. I currently serve as Director of Complex Services for Alaska Communications Systems, the parent of ACS of Anchorage, Inc. ("ACS"). I have 16 years of experience in the Alaska telecommunications industry: seven years with Anchorage Telephone Utility, seven years with General Communication, Inc. ("GCI"), where I served as Local Service Product Manager and Senior Manager of Network Solutions, and two years with Alaska Communications Systems. All of this experience has been in Anchorage, Alaska.

2. Based on my professional experience in Anchorage, the Anchorage business telecommunications market is accurately characterized as hyper-competitive. Anchorage is a market driven primarily by price. Indeed, the high degree of competition and price sensitivity in the Anchorage market is responsible for the large market share gains that GCI captured within only five years after its entry into the Anchorage local exchange market. The competitive environment in Anchorage is such that both GCI and ACS must earn each customer's business every day, repricing services in order to remain competitive.

3. Three recent examples in the last year illustrate the competitive environment now inherent in the Anchorage telecommunications market. GCI made a competitive proposal to [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] in Anchorage, an ACS customer at the time. GCI's proposal was [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] of ACS's then-current pricing. ACS was able to retain the customer by matching GCI's proposal, resulting in a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] reduction in price. Likewise, [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] in Anchorage, an ACS customer at the time, issued a formal Request for Proposal ("RFP"). ACS responded with a bid reducing its current pricing by [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]. Even so, GCI won the bid—offering a [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] reduction in price. Finally, [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] in Anchorage, an ACS customer at the time, issued an RFP to which both ACS and at least one other party responded. ACS won the bid—reducing current pricing by [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]. Examples such as these demonstrate just how competitive the Anchorage market is and just how quickly and easily Anchorage business customers can and do switch service providers.

Respectfully submitted,

/s/ Mark Enzenberger
Mark Enzenberger
600 Telephone Avenue
MS 60
Anchorage, AK 99503-6091