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ATTORNEYS AT LAW

14 July 2006

**Ex Parte**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Re: *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Sections 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area, WC Docket No. 05-281.*

Dear Ms. Dortch:

On July 12, 2006, Tina Pidgeon of General Communication, Inc. ("GCI"), John Nakahata of this firm, and undersigned counsel met with Denise Coca, Pam Megna, and Carol Simpson of the Wireline Competition Bureau in connection with the above-captioned proceeding. In that meeting, GCI made the points described in detail in its letter of July 3, 2006.

In particular, GCI noted the record shows sharp differences in competitive conditions in the Anchorage business and residential markets, particularly with respect to the availability and capabilities of alternative facilities, as well as differences in pricing practices in the business and residential markets. On the demand side, even a cursory review of the ACS and GCI websites shows that residential services are not substitutes for business services. This is especially true for DS1 services. On the supply side, even when GCI has completed upgrading its entire cable network for cable telephony service, alternative facilities are not available to business locations to nearly the same degree as to residential locations. Moreover, cable technology is not yet mature for serving businesses, especially with respect to DS1 services. Finally, the record in this proceeding and ACS's own declarations in support of its recently filed petition seeking additional

forbearance<sup>1</sup> show that both ACS and GCI provide business services on a customer-specific basis. Thus, the record shows that residential and business services reside in separate product markets, with different supply characteristics and different pricing practices.

In accordance with FCC rules, a copy of this letter is being filed electronically in the above-referenced docket.

Sincerely yours,



Brita D. Strandberg  
*Counsel to General Communication, Inc.*

cc: Denise Coca  
Pam Megna  
Carol Simpson

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<sup>1</sup> See, e.g., Petition of ACS of Anchorage, Inc. 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 at 40-42, WC Docket 06-109 (filed May 22, 2006).