Exhibit A

REDACTED FOR PUBLIC INSPECTION

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF ALAN MITCHELL

I, Alan Mitchell, do hereby declare under penalty of perjury:

1. I have served as the Senior Manager and then Director of Economic Analysis at General Communication, Inc. ("GCI") since 1998, where my primary responsibility is to provide quantitative analysis of regulatory issues. For the three years prior to attaining this position, I served as the Capital Planner in GCI's Engineering department. Prior to my employment at GCI, I was Alaska's Utility Consumer Advocate, where I represented utility consumers at the state regulatory commission and at the state legislature.

2. This declaration describes the methodology used to develop the tables (attached as Exhibit 1) that estimate how many and what percent of the residential and commercial building locations in the ACS-Anchorage study area can potentially be served – assuming that all of the operational and technical impediments discussed by Kevin Sheridan,[1] Dennis Hardman,[2] Gary Haynes,[3] and Blaine Brown[4] can be overcome

[1] Declaration of Kevin Sheridan.
[2] Declaration of Dennis Hardman.
[3] Declaration of Gary Haynes, attached as Exhibit H to *Opposition of General Communication, Inc. to the Petition for Forbearance from Sections 251(c)(3) and*

– from existing GCI outside plant facilities 1) that are currently upgraded for telephony service; 2) that GCI estimates will be upgraded by the end of the current year, or 3) that GCI estimates will be upgraded sometime after this year.[5] As discussed below, however, this analysis only addresses the relationship between the location of GCI facilities and the location of residences and businesses and Anchorage, and is not meant to represent the number or percentage of business or residential locations that GCI could serve entirely over its own facilities in a commercially reasonable time. As discussed elsewhere in this proceeding, the mere fact that a GCI plant passes a particular location does not mean that GCI can provide cable telephony services over that plant to that location in a short period of time.[6]

3. For purposes of this analysis, a building location is considered potentially served by GCI existing outside plant facilities (in the absence of other operational and technical impediments) if the GCI plant is 80 feet or less from any part of the parcel of land on which the building is located. This is an appropriate and conservative distance because it captures virtually all locations that are located on a street that has GCI facilities, as well as all locations on either side of a lot line along which GCI has facilities. For example, GCI facilities that are placed along one side of a road are considered to potentially serve all parcels on both sides of the road except in those rare

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252(d)(1) of the Communications Act Filed by ACS of Anchorage, WC Docket No. 05-281, at 69-70 (filed January 9, 2006) ("GCI Opposition").

[4] Declaration of Blaine Brown ("Brown Decl."), attached as Exhibit J to GCI Opposition.

[5] These are only estimates because the technology is new to GCI, thus making accurate prediction difficult.

[6] *See, e.g., 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 251(d)(1) in the Anchorage LEC Study Area,* Reply Comments of General Communication, Inc., WC Docket No. 05-281 at 12-13 (filed Feb. 23, 2006).

cases where the road has a width in excess of approximately 80 feet (such as an interstate highway). Further, GCI facilities placed along a back lot line are considered near lots on both sides of the lot line, since the back boundaries are well within 80 feet of the GCI facilities.

4. By including all parcels within 80 feet of GCI facilities, I have attempted to include all buildings that can be reached by a cable drop from GCI's existing facilities. Drops used to reach customer locations included here would often exceed 80 feet because the customer's building is not located on the parcel boundary and/or the drop terminal for GCI facilities is not located at the point on GCI facilities closest to the parcel. In fact, it would not be unusual to use drop lengths of 150 feet or more to serve buildings on parcels within 80 feet of GCI facilities. Even so, this analysis likely includes some large parcels with buildings that are not within drop range of GCI's facilities.

5. This analysis is consistent with the source cited by Charles Jackson with respect to typical drop lengths in the industry. That article explains that a drop "has a *maximum length* of 400 ft, but is *typically less than* 150 ft."[7]

6. Because this analysis addresses only the distance between residential and commercial parcels and GCI facilities, it does not account for the many operational, technological, and economic obstacles to providing full-facilities-based service to these locations. For instance, if GCI facilities are placed along a road, lots on both sides of the road are generally considered serviceable using this analysis. This is true even where it is not possible to use aerial drops to cross the road and GCI must dig or acquire conduit

[7] Gary Donaldson and Doug Jones, *Cable Television Broadband Network Architectures*, IEEE Comm. Mag., June 2001, at 122 (emphasis added).

access to provide service – a process that can be very challenging and time consuming.[8] Similarly, some locations that are near GCI facilities may not have drop wires or drop fiber installed to the buildings on the lots, and thus may not be capable of being served within a commercially reasonable period of time.

7. I performed this analysis by comparing data regarding the location of GCI CATV and fiber plant with Anchorage parcel data extracted from the Municipality of Anchorage ("MOA") geographic information system ("GIS").[9] This "parcel layer" maps the boundaries of all parcels of property in the MOA and gives a variety of information associated with each parcel such as assessed building value and land use classification.

8. GCI used a GIS consultant, Ian Moore of Alaska Map Science, to perform the GIS tasks associated with this analysis. Mr. Moore compared the GCI plant information with the MOA parcel mapping data, using GIS tools to calculate for each parcel in the MOA database (but excluding those parcels that are outside of the ACS-Anchorage study area, *e.g.*, Eagle River) the shortest distance between GCI's outside plant facilities and any point on the parcel boundary. Using wirecenter boundary mapping from GCI, Mr. Moore also determined the telephone wirecenter within which each MOA parcel falls, and he determined when the CATV plant nearest to each parcel is projected to be upgraded to provide cable telephony service.

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[8] *See* Brown Decl. ¶¶ 18-19.

[9] Municipality of Anchorage parcel data was not available for the Ft. Richardson and Elmendorf military bases, as well as the community of Hope, which is outside of the MOA. Therefore, the Exhibit does not present data for these three wirecenters. GCI has no facilities in the Hope wirecenter. GCI has some outside plant facilities on the military bases. The total line count in those wirecenters is only about **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of the ACS-Anchorage study area line count.

9. I received the results of this GIS analysis from Mr. Moore and performed additional steps to produce the tables in Exhibit 1. First, I classified each parcel with a building as either residential or commercial. The MOA parcel data contains residential and commercial designations in the "Land Class" field. However, some parcels with apartment buildings or condominiums show a commercial classification in the Land Class field. I reclassified these parcels as residential.

10. I then classified each commercial parcel into two categories: small business – less than or equal to **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** of assessed building value (not including land), and medium/large business – more than **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** of assessed building value. Because I do not have ACS line counts for each building, I needed a proxy to differentiate buildings that likely had only one or a few lines from those that had eight or more switched lines.[10] The **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** assessed value cutoff was estimated to be the cutoff between commercial buildings with less than eight switched lines and those with eight or more switched lines. The MOA parcel data indicates a total assessed value of commercial buildings in the ACS-Anchorage study area of **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**. Total switched business lines in the study area are approximately **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**, giving an average assessed building value of **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** per line. The average assessed value for an eight-line building is therefore **[BEGIN CONFIDENTIAL][END**

[10] *See* GCI Opposition at 17–18 (defining the medium to large enterprise customers as those that have 8 or more switched business lines or who require higher capacity lines).

CONFIDENTIAL] per line multiplied by eight lines, thus equaling a small business ceiling of **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**.

11. For each residential and small business parcel, I determined whether the parcel is near GCI CATV plant and then whether such plant is currently upgraded or estimated to be upgraded before year end 2006.[11] I then tallied up the total number of parcels (locations) in each of these categories, subdivided by parcel type (residential or small business) and subdivided by wirecenter. The results are presented in the first table shown in Exhibit 1. I did not summarize any results related to the proximity of residential and small commercial buildings to GCI fiber, because fiber is not an economical service method for residential and commercial buildings with less than eight lines.[12]

12. For medium/large business parcels—those with assessed building values greater than **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**—I analyzed possible service through telephony-upgraded CATV plant and fiber plant. The second table in Exhibit 1 shows the results. The three columns titled "Locations on Parcels Within 80' of Telephony-Upgraded Cable" show the number of locations that fall into the same CATV potentially served categories that were discussed above in the residential/small business section. The next column shows the number of medium/large business locations that are potentially served via GCI's fiber facilities. Finally, the last

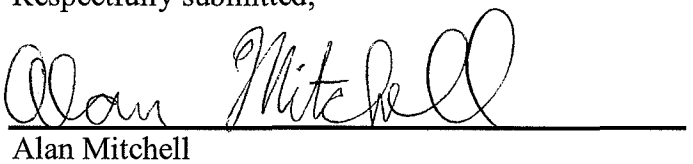
[11] All Anchorage CATV plant is expected eventually to be upgraded to provide telephone service.

[12] *See, e.g.*, Brown Decl.¶ 10–11. Although fiber may be a viable service approach for large multi-family residential buildings, virtually all of those multi-family buildings can be provided telephone service via upgraded-cable TV plant. In any event, including residential and small business locations that are near to GCI fiber would result in a nominal increase of **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** in the percentage of those locations potentially served via GCI facilities.

three columns show the number of locations that are potentially served via CATV plant *or* fiber plant.

13. Each table in the Exhibit shows both the absolute number of locations near GCI CATV plant and the percentage of total locations in each wirecenter. As well, the tables show grand totals for the entire study area.

Respectfully submitted,



Alan Mitchell
Director of Economic Analysis
General Communication, Inc.
2550 Denali Street
Anchorage, AK 99503

Exhibit 1

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Exhibit B

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	)	

DECLARATION OF GINA BORLAND

I, Gina Borland, do hereby declare under penalty of perjury:

1. I am the Vice President, Product Management–Voice and Messaging at General Communication, Inc. ("GCI"). My primary responsibility is to oversee the provision of voice services in GCI's markets. I have held this position since September 2005. Prior to that, I served in a similar capacity for four years as Vice President and General Manager of Local Service. I have been with GCI for over 15 years.

2. In this statement, I discuss why the Commission should not change the requirements that allow GCI to lease unbundled network elements from ACS at regulated rates. First, I provide an overview of the Anchorage local service area, describing GCI's role as a competitive local exchange carrier and use of UNEs. Second, I describe GCI's history of facilities deployment in the Anchorage local service area, demonstrating that UNE availability has not been a disincentive to competitive facilities deployment. To the contrary, UNE availability has allowed GCI to build a customer base that supported capital investment in facilities, while ensuring that GCI could provide a competitive alternative to all residential and business consumers. Third, I discuss how GCI's UNE-based entry guided its full-facilities-based deployment, requiring that service conversions

for our customers are seamless and transparent. The necessary technology and processes have taken time to develop and will continue to develop through the conversion schedule.

3. Fourth, I show that GCI has undertaken as aggressive a conversion schedule as possible, and continued UNE availability is part of that plan. Loss of UNEs will not meaningfully hurry along a schedule that is already on a fast-track. To the contrary, as I describe in the end, loss of UNEs will disrupt the transition that is underway by overtaxing internal and external processing and provisioning systems, by diverting investment capital, and by leaving GCI with no economic alternative for serving those residential customers where cable plant upgrade has not been completed and those great majority of business customers where no last-mile facilities alternative are currently available in any form, either coaxial or fiber. The expected result is significant customer disruption and harm to GCI as a competitor.

I. The Anchorage Local Services Market and GCI's Role as a Competitive Local Exchange Carrier

4. There are three distinct product markets for wireline local exchange services in the Anchorage study area: the residential, small business, and medium to large enterprise markets In general, the business markets need more volume capacity, reliability, and features than the residential market. Medium to large business markets, for instance, often require PRI and DSS services that are not available today in a DOCSIS format.[1] Also, business customers, unlike residential customers, are often served pursuant to individually negotiated arrangements.

5. GCI currently participates in all of these markets throughout the entire ACS Anchorage study area. In each of the markets there are only three existing

[1] *See* Declarations of Blaine Brown and Gary Haynes.

competitors, ACS of Anchorage, GCI and AT&T Alascom. While there may be other certified providers, I am not aware of any others actively offering services in Anchorage. Of the three existing competitors, only ACS of Anchorage has ubiquitous facilities serving all of the Anchorage study area. AT&T Alascom competes in the residential mass market solely using resold services obtained from ACS.[2]

6. GCI has a continuing need for access to unbundled network elements to be able to serve all three product markets throughout the Anchorage study area. The continued need for UNE access will not expire, even with GCI's very strong incentive to self-provision facilities to the greatest extent possible and demonstrated efforts to minimize reliance on UNE access. From GCI's initial entry strategy, to our cable telephony deployment, and to our continuing assessment of possible alternative technologies, GCI's end goal is not perpetual or broad reliance on our chief competitor for service, but rather to control to the greatest extent possible the end-to-end service delivery mechanism.

7. As an existing market participant providing a full substitute offering to the incumbent LEC's basic local service, GCI can only meet that goal if our technology and provisioning choices along the way meet or exceed existing customer expectations for service. Otherwise, the customer will just stay with the incumbent provider, rather than risk the potential inconvenience of service degradation that can occur during the change process. Once the provisioning choices necessary to ensure customer acquisition and retention are made, it is essential for the success of the endeavor that the capital deployed

[2] For a brief period TelAlaska, an incumbent rural LEC and cable provider, offered service in the Anchorage business market, but recent inactivity suggests that may no longer be doing so.

can quickly generate return by serving the greatest number of customers as possible. It is inconceivable that GCI is doing anything but implementing its deployment plan as quickly as possible. Moreover, we have placed a priority on upgrading plant in those locations with the greatest density and lowest implementation costs per customer.

8. As the transition is ongoing and in those areas where existing alternative last-mile facilities do not exist—whether in "raw" form like coaxial cable, or at all—UNE loops are necessary to ensure that the customers that have a choice of full facilities-based competitors today will continue to have that choice into the future. If GCI were denied UNE access as a provisioning option in the Anchorage service area at today's stage of competitive entry, GCI would no longer have the ability to convert a customer from the ILEC to GCI switching and transport facilities.[3]

9. The loss of a cost-effective alternative for serving customers for more than a de minimis number of lines would necessitate a complete shift in the current focus of GCI resources from the ongoing cable telephony deployment to migrating existing customers off of GCI switching facilities and onto ACS switching facilities (obtained through resale)—clearly retarding facilities-based competition to the detriment of the customers. ACS would reacquire retail market share. At the same time, ACS would control the price of the remaining available market by virtue of tying GCI cost to ACS retail pricing for GCI to serve the majority of its customer base via resale services. Both

[3] There are some smaller areas within the Anchorage study area that GCI cannot reach via its own facilities, either because ACS network architecture precludes access to UNE loops via GCI switching and transport and/or the GCI cable plant does not reach the areas. Resale provides a workable, but imperfect, alternative in these limited circumstances, but for reasons explained in more detail below and in the Declaration of David Sappington, resale would not be an acceptable alternative if UNEs were unavailable throughout the entire study area.

the ensuing customer disruption and the elimination of GCI as a facilities-based competitive alternative would significantly undermine the current GCI cable telephony deployment plan, which would be a blow to—not an incentive for—the rapid transition that ACS apparently seeks and presumes can occur.

10. Finally, the availability of resale is not a sufficient alternative to UNEs for the protection of consumers in the Anchorage study area. With resale, GCI's cost structure is wholly dependent upon ACS's retail pricing decisions. In addition, GCI cannot provide competing features with resale, and does not have the opportunity to provide exchange access services in lieu of ACS. Only access to UNEs at regulated rates gives a competitor the ability to price rates to customers independent of the incumbent's pricing activities.

II. GCI's Deployment Demonstrates that Denying Access to UNEs is Not Necessary to Motivate Facilities Investments

11. GCI has strong incentives, both economic and non-economic, to deploy facilities and to minimize to the greatest extent possible its use of the ACS network. These incentives are clearly confirmed by our initial facilities-based strategy and continued investments to transition as many customers as possible to facilities solely provisioned by GCI. In fact, over the past 16 months, GCI has shifted approximately **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of its residential lines from UNE-loop or resale to solely-provisioned GCI facilities.[4] Simply put, there are two key

[4] The necessary upgrades for provisioning voice over cable plant have been completed for roughly **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of the existing cable nodes. This upgrade enabled service to a **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of the residential customers (rather than **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**) in the absence of a DOCSIS-based

drivers. First is the economic driver to avoid the UNE rate, a cost paid by GCI directly to our strongest competitor. Second is a desire to control the end-to-end service delivery to our customers, many of whom are not only our customers for local service, but in many cases, for video, long distance, and Internet, as well. Their positive service experience is a primary mission of our company. We have no incentive to linger on ACS facilities—we are there only where we have no alternative facilities coverage feasibly available.

12. GCI first entered the Anchorage service area in 1997, following the completion of an interconnection agreement with the predecessor to ACS. Our approach then was the same as today, to utilize our own facilities to the greatest extent possible, as quickly as possible. We rely on ACS facilities only when we have to, to deliver service to a customer that has selected GCI as his or her local service provider.

13. GCI continues to demonstrate that the ability to control the end-to-end service delivery to its customers is a top priority, providing a strong non-economic incentive to aggressively pursue and complete facilities deployment and transition. The experience of relying on the incumbent provider as the sole supplier of last-mile facilities to customers has led to untold delays, costs, significant personnel resources to manage the many issues, and poor customer service. Provisioning delays reached a peak in mid-2002, when ACS-imposed ordering caps were set at a level that did not accommodate order volumes. Through state commission inquiries, complaints, and persistence, we have made progress over time toward an orderly ordering and provisioning process.

14. Though this progress has provided an improved level of certainty with due dates, I do not believe that GCI orders are routinely processed with the same speed and

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provisioning solution for multiple-dwelling units ("MDUs"). *See* Declaration of Gary Haynes.

priority as ACS customer orders. This is my belief for two basic reasons. First, as a practical matter, GCI orders take longer to process simply because they go through the GCI order process, are sent to ACS, and then go through the ACS order process before any physical work on the order takes place; whereas, ACS orders can skip the step of entry into an initial system then re-entry into a secondary system. Second, order processing and provisioning require a greater level of coordination—more process steps that introduce delay—that ACS does not experience for itself. Daily examples include rejected orders that can not be resolved at the time of order entry by the GCI order taker, but rather go through a process back to GCI and resubmittal to ACS; scheduled order completions which must be compared and reconciled daily to ensure matching GCI and ACS work lists; and customer escalations within GCI, over to ACS, and back to GCI, required when normal processing does not resolve issues impeding service delivery to the customer.

15. Processing and provisioning issues are not just old history; these issues remain important during the GCI transition, because moving both GCI UNE-loop customers and GCI resale customers to GCI cable facilities requires order flows through ACS.[5] Moreover, to the extent that GCI remains reliant on ACS for access to facilities during the transition and where GCI has no loop facilities in place, GCI and its customers remain subject to the underlying motivations of the incumbent provider. This is a precarious and uncertain position to operate in for the provision of our customers' service. In my opinion, the only way GCI and ACS would reach equilibrium on this or

[5] *See* Declaration of Lisa Wurts.

any matter is if ACS had reciprocal reliance on GCI for access to facilities, but in ACS's position as the incumbent operator of a network constructed over decades, it does not.

16. Of course, there are economic benefits to self-provisioning, further demonstrating that GCI would only rely on access to UNEs where necessary to serve the customer at all. ACS currently charges GCI $18.64 per loop per month. This rate, which went into effect on November 26, 2004, was about a 25% increase over the prior rate. Given that GCI planned and began to implement the cable telephony deployment when the rates were even *lower* than they are today, it is clear that a higher rate was not necessary to motivate minimization of reliance on incumbent facilities to serve customers. While I have no doubt that ACS would prefer to charge GCI as much as possible for loop access, such a rate increase is simply not necessary to incent GCI's investment in facilities. To the contrary, I would expect that given free rein, ACS would have the incentive to raise rates to a level that would constrain available capital for investment and ultimately to drive its main competitor from the market.

17. There are additional significant benefits to self-provisioning service to customers to the greatest extent possible. GCI can control and monitor performance, better accommodate customer schedules in provisioning service, escalate and resolve customer issues with certainty, and is not constrained by the incumbents' offerings, which occurs where GCI has no alternative to resale provisioning. It is necessary to emphasize, however, that the benefits of self-provisioning are currently only achievable with the availability of existing last-mile facilities, once those facilities are outfitted for

the delivery of telephony.[6] Because the benefits described are so competitively significant, GCI is continually looking for new, cost-effective ways to extend the network further. But as these solutions are developing and being identified, until they have been deployed, many customers will have no full-facilities-based alternative unless UNE loops remain available at regulated rates.

III Alternative Competitive Service Delivery Mechanisms Must Be Seamless and Transparent for Successful Transition from UNE-Based Service

18. GCI entered the market from its vantage point as a telecommunications provider—indeed, much earlier than other cable telephony entrants—and amassed a sizeable customer base on UNEs. Unlike other cable operators in the lower-48, GCI was a long distance provider, with switch and transport expertise. The Telecommunications Act of 1996 provided the opportunity for GCI to provide competitive local services to Anchorage consumers, along with our existing long distance service.

19. As a long distance telephone provider at the time of the passage of the 1996 Act, it was in GCI's strategic interest to begin competing to provide local service as soon as possible. Unlike the Bell Companies, ACS's predecessor was not precluded from entering long distance markets and had the tools to bundle these offerings consistent with intrastate requirements. Accordingly, with cable telephony not yet being a realistic alternative even for residential consumers, GCI pushed forward with UNE based entry. UNE based entry also afforded a substantial cost savings opportunity for GCI, giving it the opportunity to pay itself interstate and intrastate access charges for long distance calls it originated from or terminated to its local customers.

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[6] In some situations, service demand may support new builds to large business locations. However, given the relatively modest size of the Anchorage study area, there are very few businesses of this scale. *See* Declaration of Blaine Brown.

20. From initial local service entry, GCI provisioned its local service over its own facilities to the greatest extent available at that time. Using its own switch and fiber transport facilities, and investing in collocation to be able to lease UNE-loops and exchange traffic with ACS, GCI created a study area wide service offering for both residential and business customers, and in doing so, was one of the few competitive local exchange carriers that eschewed a UNE-P entry strategy.

21. This approach permitted GCI to build a customer base, with an eye to converting customers to our cable plant over a reasonable transition period. Having an existing customer base generated both the basis and the revenue for the capital investment necessary for further facilities deployment. It also created a customer expectation for service such that any successful facilities transition had to be implemented in a way and at a quality that would satisfy such expectations. GCI intended (then and now) to migrate existing GCI customers from UNE-loop or resale to cable-based telephony. Because GCI would be beyond the new entry/customer acquisition phase upon transition, our deployment decisions and strategy had to transparently deliver a full service substitute to the existing customer base already receiving service.

22. As a result, GCI identified a number of necessary criteria for GCI's eventual transition to fully self-provisioned telephony over cable for GCI to meet existing customer expectations and remain a viable competitor in the local service market. First, GCI's method for provisioning service has to deliver a quality of service that is transparent to the customer.[7] For the foreseeable future (and at least during GCI's

[7] *See* Declaration of Richard Dowling.

transition to cable telephony), GCI's UNE-based and wholly self-provisioned products could and would sit side-by-side in the residential market, and the respective delivery mechanisms have to be indistinguishable to the customers. As a relatively small player in the cable market, however, GCI could do little to drive the industry and manufacturing development process for packet cable products—of which it was on the very front end.

23. Second, the local powering requirements for eight-hour back-up in the event of commercial power failure had to be met. At the planning phase, this requirement could best and most economically be satisfied via outdoor powering, meaning powering the cable drop to an outdoor unit mounted on the customer premises.[8]

24. Third, the provisioning method had to allow the incorporation and adaptation of quickly developing new technology, while still relying on investments already in place. For this reason, GCI chose packet-based transmission technology within its own network. Fourth, the transition itself had to be seamless to the customer, meaning not requiring the customer's time or attention to complete the process.

25. All these deployment characteristics were necessary from the customer perspective. From GCI's perspective, speed and efficiency of deployment was and remains a priority. We ensured in making our technology choice that it would provide the fastest deployment path to deliver a return on the capital investment. And it did—with an existing residential customer base of over 50,000 lines, an outside, line-powered deployment that did not require coordination with the customers who already subscribed

[8] *See* Declaration of Gary Haynes.

to GCI service would permit the fastest transition rates.[9] We made the most expeditious choices, and the progress to date affirms the selection.

26. We are continually assessing equipment changes, technology developments, and provisioning methodologies that will permit more cost effective deployment, without the loss of service quality. As less expensive options become viable and commercially available, I would expect the deployment strategy to be modified accordingly.

IV. UNE Termination Will Disrupt the Systemwide Deployment Plan

27. Having made our technology selections to continue our facilities-based deployment, GCI is now in the midst of a multi-phase process of upgrading its cable facilities to permit a seamless transition for our UNE-loop or resale customers to GCI's cable facilities for voice. Because of the cable plant deployment patterns, this is predominantly a residential service transition. GCI's cable plant does not cover nearly as many business customer locations as residential customer locations.[10]

28. In addition, the cable plant footprint does not cover the entirety of the ACS Anchorage study area. For example, the area served by ACS's Girdwood wire center lies outside of GCI's franchised cable service area, and households there receive cable service from Eyecom, a subsidiary of TelAlaska.

29. Transition from UNE-loops to cable telephony in those locations passed by cable plant requires an orderly plan for the management of capital, developing new

[9] As the other cable providers made technology decisions as new entrants to the voice telephony market, the industry did not select the same technology, such that to meet the ongoing need for cost efficiencies, the outdoor deployment mechanism may not be the sole option in the long term.

[10] Designed to deliver entertainment programming, cable service is typically limited to residential areas, but may extend to hotel or restaurant locations.

order processing and provisioning systems in accordance with the introduction of new technology into the network, availability and management of contractors, and ensuring minimal customer disruption. GCI's deployment plan balances these considerations with other practical considerations, like achieving the greatest cost savings available by reaching the most customers we can on our own facilities the fastest (i.e., by initially targeting higher density areas), seasonal construction limitations, and specific plant requirements in different areas.

30. GCI started the cable plant upgrade on the east side of Anchorage. Though this area coincides with the ACS "East" wire center, there is no correlation between the GCI cable plant lay-out and the ACS telephony wire center lay-out. This location was selected as the first for roll-out because it has the greatest density of residential lines in combination with a single fiber infrastructure. Some south Anchorage nodes were also selected, as GCI was forced to resale service for the greatest number of customers in that area.[11] The resale-served locations were especially important to target because GCI could not collect (or save) access for these lines.

31. In addition, because the network preparation started in the early months of 2004, it was beneficial to undertake deployment in areas with higher concentrations of aerial cables. This is the case in both east and south Anchorage. The more buried activity there is, the more difficult the installation is during the winter months, in terms of both manpower and expense.

[11] While GCI has largely used UNE-loops to serve customers, we have had to resort to resale where ACS network configuration precluded our ability to access the customer loop at the ACS central office. This would occur where ACS installed hybrid fiber copper loops, served by a non-multihostable remote or integrated DLC.

32. By the same token, communities in north Anchorage were slated to follow. In this area, fiber upgrades to the metropolitan area network were required before service could be provisioned. It is cost prohibitive to do this type of work in the winter, if possible at all.[12]

33. For these reasons, I would expect that any assessment of the per line deployment costs at this point in the upgrade and transition process would be somewhat lower than the ultimate average costs, because we front-loaded conversion of higher density nodes. I estimate that the upgrade costs of low density nodes could be at least three times that of high density nodes. Likewise, any changes in deployment required by the disruption of the existing UNE regime would result in increased costs, with possible impact ranging from deployment delays to disruption.

34. ACS has asserted their desire to move GCI off of ACS facilities and onto our own as quickly as possible. GCI has demonstrated that every effort to do so is already in progress under the existing regime. The foreclosure of UNEs will have the opposite effect, however, by creating a financial chain reaction from the loss of EBITDA, reducing capital available to invest in more GCI facilities options. Stated simply, an overnight build-out could not be accomplished, and I do not believe GCI could accelerate deployment much beyond the current slated schedule.

35. The resulting shift in operational focus to ensure a smooth transition for customers will further siphon resources away from deployment and conversion. Even assuming the deployment could arbitrarily be accelerated beyond a reasonable pace, this would cause substantial problems for consumers and greatly increase GCI's costs, as

[12] *See* Declaration of Blaine Brown.

described more fully below, so as to make the deployment cost prohibitive. Ramped up deployment will lead to increased operational costs associated with project management, contractors, back-office personnel, and several costs associated with customer service disruption on a larger scale, including customer service calls and field service visits. In summary, if it were practical to transition customers faster than we are today, we would.

V. Even with GCI's Substantial Investment in Facilities, Foreclosing Access to UNE-Loops Would Cause Significant Customer Disruption and Competitive Harm to GCI

36. As detailed in the previous section, we have carefully devised the deployment plan to be completed as quickly as possible. We have also devised the deployment plan to prioritize upgrade of nodes that will deliver the highest return by reaching the greatest number of customers (and thus, saving UNE costs) with the least amount of plant work (and thus lowest per customer investment) needed. If access to UNE-loops is foreclosed, as requested by ACS, I further anticipate both unavoidable customer disruption and damage to GCI's competitive efforts in both the residential and business markets throughout Anchorage.

37. There are at least three instances in which UNE access is required: (1) during transition to fully alternative facilities, (2) where no facilities alternatives are available, and (3) in the provision of advanced business services, like PRI and DSS.

38. In the residential markets, there remains significant work to be done in network upgrades and customer transition. We have completed the network upgrades serving roughly **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of the customer base, and would expect that the remainder of the upgrades to be completed within a similar timeframe. Thus, during this period of time, UNE loop access will still be

necessary to serve these customers until both network upgrades and individual customer conversions are completed.

39. Even in those areas where the node-work is complete, it is not uncommon for additional work on the drop—like replacing "bad" cable or burying the existing drop—to be required before the service can be delivered.[13] For these customers, it may take months to complete the UNE-to-cable-telephony conversion, particularly depending on the time of year. Because this type of work can rarely be performed in the winter, we start the spring construction season with a backlog of outside plant work orders. Therefore, a work order placed in mid-October may not be completed until mid-April, assuming no other delays.[14]

40. Based on our current experience in transitioning existing UNE-loop and resale customers to upgraded cable plant, full transition at a single node could take as long as two years. While this period may change based on experience or changes in deployment, it is impossible to predict now how that might happen or what the effect might be. Therefore, the loss of UNEs today would mean that GCI's **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** residential customer lines served via UNE loop would have to be immediately transitioned to resale for those customers to keep GCI as their selected provider.

41. Such a transition would impose substantial costs. GCI would incur re-provisioning costs twice: once to transition customers from UNE to resale and again to transition from resale to cable telephony. Additional costs would be incurred for porting

[13] *See* Declaration of Gary Haynes.

[14] All of this presumes, however, that all customers immediately assent to provisioning changes. A very small percentage does not, however, and some conversions will only occur through churn.

numbers back to ACS, coordinating moves with ACS and customers to minimize service outages, and all the attendant costs expected from the backlogs that can be expected when ACS is inundated with some **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** orders. Management and staff would be dedicated to managing a smooth transition process for several months, a completely unplanned cost that is of no benefit to the customer or GCI. ACS can be expected to assess unplanned service order fees. GCI will pay additional costs of goods sold for ACS switching services that GCI used to provide to itself. More operating cost associated with account maintenance will ensue, as all account changes must now go through ACS and can not be handled without ACS intervention. More service order and trouble tickets will go to ACS, all of which lead to additional costs with no benefits.

42. Roughly **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** residential lines would be transitioned from UNE-loop, all of whom would need their calling features transitioned to the ACS switch, and E911, 411, and directory information touched. Approximately **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** business lines would undergo the same transition, many of whom had scheduled "after business hours" transitions when they originally moved from ACS to GCI and will not accept service disruption during their business hours. This is a very large portion of the Municipality of Anchorage. Also, under ACS's desired outcome, ramped up deployment will lead to a substantial increase in GCI orders to ACS for disconnects, and in the case of resale transitions, number porting.

43. The order volume will undoubtedly negatively affect the service level that both GCI and ACS customers are receiving today. Any prior incidence of significant

increase in order volumes has caused substantial delays in ACS's processing and provisioning systems, leading to customer complaints and dissatisfaction. The potential magnitude of customer disruption and customer dissatisfaction in this case would be far more significant, and based on past experience, will generate customer complaints to both companies, as well as the state commission. Customer complaints occur when service quality is diminished, when customer demands are not being met, and when they experience service outages. None of these results is in the consumers' best interests.

44. In the business markets, the cost increases and customer disruptions that would occur in the residential market are applicable here as well. The impact of UNE termination would be greatly exacerbated, however, by the fact that the GCI cable plant is not available as replacement for last-mile facilities to the vast majority of the business market.[15] In my experience, we find that service must be provisioned to a customer within **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of placing an order, or we lose the business. Under no scenario can last-mile facilities be extended to any currently unserved customer in **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**.

45. Finally, even in those instances where cable plant may have been extended to an individual business on a case-by-case basis, core business services, like PRI or DSS, are not deliverable using the current technology.[16] Again, the transition from UNE-based competition would be costly, disruptive, and damaging for all the reasons described above.

[15] These same issues apply for those residential subscribers to whom cable plant does not reach, like residential subscribers outside of the GCI cable franchise area.
[16] *See* Declaration of Gary Haynes.

46. In none of these scenarios is resale a suitable alternative to UNE-loop. In the absence of UNEs, GCI would be required to provide service via resale, which would be at a rate below GCI's marginal costs for every customer served.[17] Not only are the rates higher, but GCI loses any universal service for a resale line (as compared to a UNE-loop or self-provisioned line), any access savings (same) where it is also the customer's long distance provider, and the state Network Access Fee ("NAF") and Federal Subscriber Line Charge ("SLC"), which would now be passed through to ACS. Service to an increasing number of customers at a loss is not a sustainable business proposition.

47. There are additional reasons why resale, whether as an interim or permanent alternative to UNE-loop access, does not ensure reasonable rates for the consumer or afford GCI protection from ACS pricing abuses. Being relegated to resale provisioning takes away GCI's ability to control its input prices, as the resale rate is set in relation to the ACS retail rate. I saw the benefits of GCI's UNE strategy over the resale alternative early on, when ACS chose to respond to loss of customers through competition with a substantial retail rate increase. Had GCI been serving its customer base via resale, our service rates would have been increased by the same amount, so ACS could have raised its customers' costs and ours at the same time. But ACS did not have the same control over our UNE rates, which allowed GCI to hold the line on its retail rate offerings. If ACS continued to provide access to UNEs but could charge whatever it wanted, I would expect that the UNE model would quickly become indistinguishable from the current resale services model.

[17] As an eligible telecommunications carrier, GCI is required to serve the entire Anchorage study area via a combination of its own facilities and resale.

48. Were GCI's local service offerings to be disrupted with UNE termination, there would be no suitable facilities-based alternatives. There are no other facilities-based service providers in either the residential or business markets. Moreover, any wireless solution would leave GCI out of the market entirely until it could be designed, built, installed, and provisioned, a process that would be comparable in duration and scale to the cable telephony exercise that is already in progress, but started essentially from square one.

49. In summary, the cable telephony deployment plan was predicated on and made possible by UNE availability during the transition. This continued availability has had no effect on the speed or commitment to the endeavor—but it is a critical component to ensure that customers retain service choices during the transition and where transition is not possible for lack of GCI last-mile facilities. Termination of UNE access would thus displace a core underpinning of the case for deployment, and if it were to occur, it would be unreasonable to assume that the deployment plan itself would not require reassessment. As with any business, one must assume that substantial disruption of the underlying assumptions would affect GCI's ability to continue with its current deployment plan.

Respectfully submitted,

/s/

Gina Borland
General Communication, Inc.
Vice President, Product Management–Voice and Messaging
2550 Denali Street
Anchorage, AK 99503

Exhibit C

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF G. NANETTE THOMPSON

I, G. Nanette Thompson, do hereby declare under penalty of perjury:

1. I am the Vice President – Federal Policy at General Communication, Inc. ("GCI"). In this position, my primary responsibility is to analyze and advocate GCI's position on policy issues. I have held this position since September 2004. Before joining GCI, I served as a Commissioner (from 1995-1996 and 1999-2004) on the Regulatory Commission of Alaska ("RCA"), including serving as Chairman from 1999-2003.

2. In this statement, I discuss the RCA's recently adopted rules and their effect on ACS's discretion with respect to rates for its service, explaining that these regulations do not include a requirement that ACS's rates in Anchorage be just and reasonable. I also explain that the new rules remove strict price regulation for most services, including bundled service. Finally, I explain the discretion available to carriers, including ACS and GCI, to tailor contract offerings and prices in the business market to particular customer needs.

Background

3. On August 5, 2005, the RCA adopted regulations that, among other things, allow for substantial deregulation of nondominant carriers. A copy of these regulations is

attached as Exhibit GNT-1. These rules, coupled with the RCA's grant of ACS's petition to be declared nondominant in Anchorage (which GCI did not oppose) on February 22, 2006, provide ACS substantial freedom to raise its rates. The key provision in this respect is 3 AAC § 53.243, which governs retail services in a competitive local exchange market where there is no carrier with dominant carrier status.

RCA Authority to Ensure Rates are Just and Reasonable

4. Section 53.243 provides that carriers may implement rate changes for most services without RCA approval by posting advance notice of changes on the carrier's website and making an informational filing with the RCA. By the express terms of the regulation, rate changes permitted by Section 53.243 will be denied by the RCA if they are discriminatory; specifically, if they "grant a customer an unreasonable preference or advantage" or "subject a customer to an unreasonable prejudice or disadvantage." 3 AAC § 53.243(h). The regulation does not include a requirement that rates be just and reasonable or require that rate changes that result in unjust and unreasonable rates be denied or modified. In addition, the regulations only apply to "retail" services, and thus do not impose even nondiscrimination obligations on the rates and terms of wholesale service.

5. In other contexts, by contrast, the RCA does have express authority to deny and require modification of rates or terms and conditions that are not just and reasonable. For example, Section 53.240, which governs retail services in a competitive local exchange market where there is a dominant carrier, provides that the Commission will deny and require modification of rates or terms and conditions of service that "are not just and reasonable." 3 AAC § 53.240(d).

6. In my opinion, the omission of specific just and reasonable language in Section 53.243 means that a rate filed under that provision will not be denied or modified on the ground that it is not just and reasonable. For this reason, I disagree with ACS's claim that "state regulation will ensure that ACS's rates and practices are just [and] reasonable."[1]

7. I believe this is the case notwithstanding the language in the RCA's governing statute granting the RCA authority generally to ensure that rates are just and reasonable. *See* AS 42.05.381. As a practical matter, the RCA would be unlikely to go beyond the grounds provided for by regulation in order to invalidate rates. I believe it is even more unlikely that the RCA would rely on a ground that appears to have been deliberately excluded from the relevant regulatory section, as the just and reasonable ground appears to have been excluded here. The standards for review of dominant carrier rates in 3 AAC 53.240(d) include just and reasonable, while the standards for review of retail rates for which there is no dominant carrier in 3 AAC 53.243(h) do not.

8. The new regulations also do not include any mechanism for substantive pre-implementation rate review, meaning that there is no clear opportunity for the RCA to review whether rates are, in fact, just and reasonable. ACS claims that the new regulations "relate[] only to tariff filing procedures" and "do[] not impact the RCA's authority to regulate rates and practices."[2] While technically accurate, these statements incorrectly suggest that ACS will continue to be subject to rigorous reviews of its rates to ensure, for example, that they are cost-based or do not reflect market power.

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[1] Letter from Elizabeth R. Park, Latham & Watkins, to Marlene H. Dortch, Secretary, Federal Communications Commission at 1 (May 10, 2006).
[2] *Id.*

As a practical matter, rigorous rate review has taken place as part of the tariff filing and review procedure. The changes to the tariff filing procedure therefore effectively remove the RCA's opportunity to conduct a rigorous rate review. At minimum, the RCA will have no opportunity to act before any changes pursuant to Section 53.243 go into effect. And, based on my experience at the RCA, I expect that the RCA will act to deny or modify changes only if and when a complaint challenging changes made pursuant to Section 53.243 is filed. This is substantially less oversight than the RCA traditionally exercised over dominant carriers.

Pricing Freedom

9. Section 53.243 grants nondominant carriers, including ACS, significant pricing freedom in the Anchorage business and residential markets.

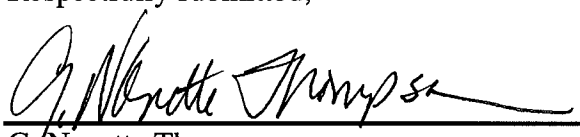
10. For most services, a nondominant carrier may implement rate and other service changes by (1) posting a notice summarizing the changes on its web site and leaving the notice on the website for 30 days; (2) filing an informational filing with the RCA; and (3) providing email notice to any customer requesting email notice. These provisions apply to all services except services not covered by Section 53.243 (line extension services, construction services, subdivision services agreements, and interexchange carrier access services, including special access services) and residential or single-line business services. For stand-alone residential and single-line business services, carriers may raise rates by not more than 8% per calendar year. This cap, however, expires on June 30, 2010, at which point carriers will face no regulatory restraint on their ability to raise prices for these services. Notably, this cap on rates does not apply to bundled services or new and repackaged services.

Business Market Pricing Flexibility

11. In the business market, both ACS and GCI have substantial additional pricing discretion. First, both ACS and GCI have filed tariffs that allow them to offer individual business customers significant annual discounts (ACS's tariff authorizes discounts of $150 per line per year; GCI's tariff authorizes discounts of $200 per line per year) without making any regulatory filings. See Exhibit GNT-2.

12. Second, Section 53.243 permits a carrier to implement special contracts without RCA approval by posting information on the carrier's website and making an informational filing at the RCA. Carriers can use special contracts to provide individualized pricing and service to business customers. The ability to implement special contracts without RCA approval therefore gives carriers significant freedom to negotiate individual agreements with business customers.

Respectfully submitted,



G. Nanette Thompson
General Communication, Inc.
Vice President – Federal Policy
2550 Denali Street
Anchorage, AK 99503

Exhibit D

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF DENNIS HARDMAN

I, Dennis Hardman, do hereby declare under penalty of perjury:

1. I have served as the Director of Transport and Data responsible for overseeing the engineering, operation, and maintenance of data transport infrastructure for General Communication, Inc. ("GCI") since 1998. Previously, I served as GCI's Senior Network Operations Manager, Network Operations Manager, Network Operations Supervisor, and was originally hired as a Senior Network Technician in 1983.

2. This declaration describes GCI's current ability—or lack thereof—to provision high capacity DS1-equivalent business voice services over its hybrid fiber coaxial ("HFC") plant, as well as its efforts to test and eventually implement new products that are just now beginning to enter the market to provide these services. More specifically, I explain the reasons why ACS's suggestion that the technology to provide rigorous DS1-equivalent services "is proven effective and is accepted by the cable industry as a viable solution for enterprise customers"[1] is incorrect.

[1] *Reply Comments of ACS of Anchorage, Inc. in Support of Its Petition for Forbearance from Sections 251(c)(3) and 252(d)(1),* WC Docket No. 05-281, at 38 (February 23, 2006) ("ACS Reply Comments").

3. GCI does not deny that the existence of proprietary technologies that "can carry DS1 signals"[2] to provide very basic DS1-equivalent services to certain business customers.[3] Contrary to ACS's claim, however, no "industry-accepted solutions"[4] exist to provide services for those customers—often including banks and investment firms—that have rigorous clock synchronization requirements. Indeed, the industry is only now *beginning* to present solutions to these technical barriers.

4. For instance, CableLabs—the internationally recognized standards body for the cable industry—just recently issued its *Business Services over DOCSIS, TDM Emulation Interface Specification* that purports to solve some, but certainly not all, of these clocking issues.[5] Seeing as this specification was only issued weeks ago, there are certainly no products on the market that are certified to meet this standard. It will take some time for vendors to incorporate these standards into their products.[6] Only at that

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[2] Jackson Statement ¶ 14, attached as Exhibit E to ACS Reply Comments ("Jackson Statement").

[3] *See* Declaration of Gary Haynes ¶ 22, attached as Exhibit H to *Opposition of General Communication, Inc. to the Petition for Forbearance from Sections 251(c)(3) and 252(d)(1) of the Communications Act Filed by ACS of Anchorage*, WC Docket No. 05-281 (January 9, 2006) ("GCI Opposition") ("While some companies offer proprietary work-arounds to provide DS1 services over DOCSIS cable networks, the reality is that these work-around solutions are cumbersome, expensive and add additional potential points of service failure. These work-arounds are not a commercially or operationally feasible means to serve the needs of medium and large business customers that have traditionally been served through DS1s. There certainly is no industry standard. Indeed, CableLabs did not even issue a request for proposal ("RFP") for a multi-line MTA for commercial applications until July 2004 and did not issue a request for information ("RFI") for DOCSIS-based equipment to provide DS1 level services until November 2004. To date, CableLabs has not certified any such product.")

[4] Jackson Statement ¶ 13.

[5] *See* CableLabs, *Data-Over-Cable Service Interface Specifications, Business Services over DOCSIS, TDM Emulation Interface Specification*, available at http://www.cablemodem.com/downloads/specs/CM-SP-TEI-I01-060512.pdf).

[6] *See* Declaration of Richard Dowling ¶ 5, attached as Exhibit G to GCI Opposition ("Dowling Decl.").

point will GCI be able to perform limited laboratory and field trials. Moreover, because manufacturers can interpret standards differently, GCI will have to conduct interoperability testing with the various pieces of its own network.[7] This process will almost certainly raise unforeseen issues that GCI will have to solve before it can responsibly place commercial production orders. Thus, even if GCI finds such CableLabs-certified products to be adequate, commercial deployment is likely a good two years away.[8]

5. Despite the lack of certified products, GCI is nonetheless committed to exploring the available technology in an effort to continue expanding its full-facilities-based services and reduce reliance on UNE loops. To that end, GCI is looking at the non-standardized products that some manufacturers have begun releasing in the past few months that purport to solve some of the DS1 clocking issues. GCI, in fact, began initial lab tests of a DS1 multimedia terminal adapter ("MTA") product from ARRIS just weeks ago. Even encouraging results, however, would mark only the beginning of GCI's efforts to deploy such technology. For one, after its experience with network-powered, outdoor-provisioned DLPS for residential services,[9] GCI is understandably wary of deploying non-standardized products before they are adopted by the major MSOs. Moreover, even more so than with CableLabs-certified products, full-scale deployment of these alternative solutions would require rigorous tests and problem-solving measures to ensure that business customers received the level of service to which they have become accustomed.

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[7] *See* Dowling Decl. ¶ 6.
[8] *See* Dowling Decl. ¶ 6 (discussing timeline of deployment for CableLabs-certified network-powered eMTAs).
[9] *See* Declaration of Kevin Sheridan ¶ 3.

6. In addition to the technical impediments to providing such services with any measure of quality, GCI is faced with operational and customer relations difficulties as well. Traditional DS1 lines over copper wire simply provide data transport that the customer can use as it sees fit. While DS1 services over HFC will eventually provide numerous advantages to traditional DS1, for business customers that operate their own master clocking systems—especially between multiple office locations—GCI would have to provide not only transparent data packet transport, but also coordinate with the customer to account for clock synchronization requirements. This can limit the customer's flexibility to later change equipment or uses for its DS1 services. Moreover, it may likely require GCI to provide the customer with expensive clocking equipment, which would alter the economics of providing such service.

7. In addition to the challenges of finding, testing, and deploying an adequate DS1 MTA, GCI is hindered by the fact that DS1 service over HFC consumes large amounts of cable bandwidth. Thus, for instance, in one node in Anchorage's North wire center, which contains 14 total nodes, GCI can support only two DS1 lines over its current HFC plant before reaching upstream bandwidth limits, thereby freezing provision of other services, including video and Internet. As such, GCI will have to undertake a large-scale upgrade of its network capacity before it can provide all of its business customers with DS1 services over its HFC plant. GCI will have to install hundreds of additional amplifiers and upgrade thousands of taps to boost bandwidth capacity. Such an upgrade will add large amounts of time and money to the process.

8. Moreover, the success of any of this technology to serve as an adequate substitute for providing DS1 service over UNE loops depends on the accessibility of

conduit entering commercial buildings. GCI has detailed the obstacles to such access previously in this proceeding.[10]

9. While the industry is working to develop solutions, I am not aware of any MSO that is using these products on a large-scale basis to provide DS1 services.

Respectfully submitted,

Dennis Hardman
Director of Transport and Data
General Communication, Inc.
2550 Denali Street
Anchorage, AK 99503

[10] *See* Declaration of Blaine Brown ¶¶ 12, 17-19, attached as Exhibit J to GCI Opposition.

Exhibit E

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF RICHARD DOWLING

I, Richard Dowling, do hereby declare under penalty of perjury:

1. I have served as the Senior Vice President of Corporate Development at General Communication Inc. ("GCI") since early 1991. Previously, I served as Vice President of Engineering and Operations in charge of GCI's general technical and operational management, with responsibilities for system development, quality of service, system integrity, and the development of new cost saving strategies. Before joining GCI in 1981, I was the Principal Advisor on Telecommunications Policy to the Governor of Alaska and, prior to that, was the Deputy Director and Chief Engineer of the Alaska Office of Telecommunications.

2. This declaration describes GCI's efforts to provision telephone services over its own cable plant as quickly as technologically and economically feasible. GCI's cable-based telephony deployment has always been on the cutting edge of emerging technology and industry development. In my opinion, and in contrast to the claims of ACS of Anchorage, Inc. ("ACS"), GCI could not and cannot reasonably deploy cable telephony faster in the Anchorage markets without severely risking its high quality

service to consumers, making access to copper loops a continued key component of GCI's competitive local service offerings.

3. GCI first provided telephone service to Alaska consumers in 1982, when it began offering interstate long distance service. In 1991, GCI also started providing intrastate long distance services. In 1995, GCI acquired the cable facilities of three different cable providers throughout Alaska, including the Anchorage cable system, intending to use those facilities for expanded services, including, in time, phone service over cable wire and broadband Internet services. Shortly thereafter, GCI began upgrading the cable plant from an all coaxial plant to a hybrid fiber coaxial ("HFC") plant. Among other things, this upgrade enabled the cable plant to carry return signals—an obvious first step to providing high speed Internet and voice service—and reduced noise created by excessive amplification that would be unacceptable for voice services. While GCI was implementing that massive undertaking, Congress passed the Telecommunications Act of 1996, thus allowing GCI to enter the Anchorage local telephone market in 1997 and provide competitive UNE-based service while working toward its own full facilities-based solution.

4. GCI completed its cable plant HFC upgrade in 1998, but the technology was not yet available to economically provide high quality voice-over-cable service to its phone customers. Cable telephony technology developed slowly. The first iteration was pure circuit-switched cable telephony, which some cable companies began using on a limited basis by 1996. But this was an immature, proprietary technology without any industry standards. As such, it was expensive to implement and a risky investment, because a cable operator using those systems to provide telephone service would be tied

to the success or failure of both the company selling the solution and the robustness and durability of the technology. GCI also believed—correctly so—that the industry was moving towards newly developing Internet Protocol ("IP") technologies and that in developing a set of industry standards a more open equipment market would develop. Moreover, this pure circuit-switched cable telephony could not support sophisticated service features that were quickly becoming standard in the broader telephone marketplace.

5. It was not until the end of 2001 that the industry, through CableLabs, developed and issued its DOCSIS 2.0 specifications for advanced cable modems, with dynamic quality of service ("DQoS") standards, that would truly enable reliable, carrier-quality IP voice service over cable plant.[1] In parallel, CableLabs had also developed the Packet Cable 1.0 standard, which governed the signaling used to support telephony over cable modems and to correlate those signals to the signaling needed for Public Switched Telephone Network (PSTN) operations.[2] Even with the DOCSIS 2.0 and PacketCable 1.0 specifications, however, necessary equipment was not immediately available for commercial deployment. It took some time for the chipset, cable modem, and Cable Modem Termination System ("CMTS") vendors to incorporate those standards into their products. Thus, CableLabs did not certify the first DOCSIS 2.0 or PacketCable devices until December 2002.

[1] DOCSIS 1.1 specifications also included DQoS standards, but by the time CableLabs certified the first DOCSIS 1.1 modems in September 2001, it was already clear that DOCSIS 2.0 specifications would soon be released, superseding and greatly improving on the 1.1 iteration. As a result, the industry did not move to implement DOCSIS 1.1.
[2] PacketCable 1.0 is a group of specifications and reports that was released over time from 1999 to 2005.

6. As equipment prototypes became available, GCI began limited initial field trials of its cable-based telephony service before the end of 2002. Because standards can be interpreted differently by different manufacturers, however, GCI had to conduct interoperability testing among the different pieces of network equipment, including the CMTS, the Multimedia Terminal Adapters ("MTA"), and the voice gateways that would be used to translate from the IP packets transmitted over the DOCSIS platform into traditional telephone signals that could be processed by GCI's Class 5 switch.[3] This process of validation, of course, raised new issues that required new solutions. For instance, GCI had to develop its own echo-canceling firmware to deal with an unsatisfactory echo inherent in the new technology. Moreover, there was a time lag between certification and manufacturers' ability to reach commercial production levels. And, in fact, some prospective vendors went out of business or stopped supporting the products they had supplied to GCI for initial consideration. GCI also had to upgrade its cable system—and particularly its cable nodes—to support the cable telephony technology.[4] Thus, working at an aggressive pace, GCI began commercial launch of its cable-based voice services in April 2004.

7. When launching its cable-based telephony products, GCI did not have the luxury (if it could be called that) of trading the novelty of new technology—such as the then nascent voice-over-Internet Protocol ("VoIP") service that has since gained some measure of popularity—for a lower quality of service. Because GCI had amassed a sizeable customer base on UNEs before the existence of viable cable telephony, voice

[3] By using its Class 5 switch, GCI avoided having to test and implement yet another piece of equipment, the softswitch.
[4] *See* Declaration of Gary Haynes.

services over the cable network had to be equal to or better than the copper-provided phone service that GCI was already providing over UNE loops. For a variety of reasons, when GCI was selecting its equipment in 2002 and 2003, it chose to implement a system that provided network-based powering of customer premises equipment ("CPE") (akin to how the circuit-switched telephone network operates) rather than customer powering of CPE.

8. For one, GCI had to meet state regulatory requirements for service quality and reliability. Among other things, this meant that any cable-based telephony product that GCI offered had to meet a state requirement for eight-hours of back-up power in the event of power failure.[5] Network powering most economically met this standard, and did so consistent with consumer expectations of their existing service.

9. Moreover, GCI's method for provisioning and installing cable-based service had to be all but imperceptible to existing customers. Outdoor units did not require the customer to be home for installation so that GCI could change the delivery method of phone service that customers were already receiving. In this way, GCI differed from other Multiple Systems Operators ("MSOs") that had not previously offered phone service; customers seeking "new" phone service from an MSO could rightly expect a service call or other provisioning-related steps in order to attain that new service for the first time. This was not the case with existing customers already receiving phone service from GCI. Moreover, GCI saw significant problems with other technologies, including the home-powered MTA units designed for indoor installation that AT&T and Cox had deployed on a limited basis. For one, the equipment was not

[5] 3 AAC § 52.270(b).

only believed to be harder and more inconvenient to deploy because the customer had to be home, but it could also be unplugged, creating outages and trouble reports for lines that were otherwise operational.

10. This network-powered, outdoor-provisioned technology was not ultimately adopted by the major MSOs, however, and all but one supplier discontinued their outdoor products. GCI was thus forced to fund the development of a reduced-cost model suitable to its needs by a single supplier, which further slowed down GCI's ability to deploy rapidly.

11. In its continuing efforts to improve deployment of cable telephony, GCI is currently considering use of a customer-powered, rather than network-powered, network design. It is not yet clear, however, whether this approach can feasibly be implemented in GCI's situation in which current customers are being converted from UNE loops to cable-based telephony, as opposed to an environment in which a cable operator initiates telephone service to customers for the first time—as is typically the case in the lower 48 states.

12. It is my firm belief that GCI could not and cannot effectuate the transition from UNE loops to its own facilities more quickly than it is already. GCI has been at the forefront of efforts to implement cable telephony and has dedicated significant resources to its efforts to do so. Cable telephony technology needed, and in some respects still needs, time to mature. Deployment any faster will unacceptably compromise the product that GCI could provide to its customers.

Respectfully submitted,

/s/

Richard Dowling
General Communication, Inc.
Senior Vice President of Corporate Development
2550 Denali Street
Anchorage, AK 99503

Exhibit F

REDACTED FOR PUBLIC INSPECTION

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF BLAINE BROWN

I, Blaine Brown, do hereby declare under penalty of perjury:

1. I am Senior Manager of Planning and Projects at General Communication, Inc. ("GCI"). My primary responsibility is to support GCI product departments in the planning, design, and project management of GCI's local service network. I have held this position since January 1998 and have performed these or similar duties for the company since 1996. Before that—from 1984 to 1996—I worked for the predecessor of ACS of Anchorage, Inc. ("ACS"), Alaska Telephone Utility ("ATU"), first as a Plant Engineer and ultimately as the Division Manager of Corporate and Network Planning. In this capacity, I was responsible for the supervision of network planners, business plans, and all major plant additions, including network planning for switches and associated remotes, digital loop carrier, fiber optic planning, and broadband infrastructure planning.

2. I have developed a thorough knowledge of the equipment options and costs for extending transport fiber plant to meet the needs of business customers in Anchorage. I also have experience with the range of building access and installation requirements present throughout Anchorage.

3. This declaration describes the process of extending fiber transport as last-mile facilities to business locations in the Anchorage markets, as well as the attendant costs and potential barriers. It also debunks ACS's assertion that GCI has the ability to serve nearly all business customers over its own fiber optic facilities. Finally, I will describe the technical and practical steps GCI has taken to provide ACS access, at its option, to GCI's copper and coaxial loop facilities.

I. GCI'S FIBER PLANT IN ANCHORAGE

4. In 1996, GCI began construction of its fiber optic Metropolitan Area Network ("MAN"), which it completed in 1998. The architecture consists of fiber optic rings and optical cross-connects providing route diversity to primary switch and remote switch locations. The initial fiber facilities were multi-functional, designed and engineered to expand the capabilities of the cable television network and to improve connectivity to GCI remote switch modules located at ACS central offices. The fiber connecting the GCI main switch and various remote switch modules employs proprietary signaling and cannot be used for other applications.

5. As illustrated in the attached map, the fiber deployment is concentrated in the Anchorage midtown and downtown areas, which roughly parallel the ACS North and Central wire centers.[1]

6. Each fiber sheath contains fibers that support Synchronous Optical Network ("SONET") rings at various optical rates. Some rings have nodes at the ACS central offices where DS1 circuits are transferred to ACS over "tie-cables," at which point ACS cross-connects the DS1 circuits to its Central Office Repeater and then to its

[1] *See* Exhibit BB1, attached hereto.

outside plant cables. The circuits arrive at the customer premise on ACS copper cable, where ACS terminates the circuits on a Network Interface Unit and transfers the signals to GCI for delivery to the GCI customer. Other fiber rings have been designed and deployed to establish nodes in various commercial buildings. Depending on the service requirements at a commercial building, GCI will add optical multiplexing equipment to deliver DS1 services and if necessary channel banks to provide voice or data services.

7. GCI leases roughly **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** UNE DS1s from ACS, approximately half of which are used for business dial tone. For about 75% of that half, ACS copper facilities deliver DSS and PRI/dial tone for GCI to provide service over its own high-bit-rate digital subscriber line ("HDSL") equipment. The other 25% is beyond the transmission limits of GCI HDSL equipment and thus leaves GCI with no option but to deliver DSS and PRI services to its business customers through resale of ACS DS1s.

8. GCI currently provides telecommunications services to about **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** locations over its own fiber network. GCI has placed fiber into approximately **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** other locations, primarily for delivery of cable television services. The terminal equipment at these **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** locations does not support delivery of POTS or DS1 services.

9. In my estimation, there are approximately 5000 business locations in Anchorage. GCI provides voice and/or data services to about **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**% of these business locations on its fiber network. GCI has installed fiber in about **[BEGIN CONFIDENTIAL][END**

CONFIDENTIAL]% of these locations, but half are for video services and not equipped with the expensive electronics necessary to deliver dial tone or DS1 level services.[2]

II. IMPEDIMENTS TO EXTENDING LAST-MILE FIBER PLANT

10. There are a number of impediments to extending last-mile fiber facilities to Anchorage business customers in a short period of time. And in many cases extending last-mile fiber facilities is entirely impractical or not economically feasible. First, the costs of extending fiber optic cable and the necessary electronic equipment are prohibitive in most instances. Indeed, very few businesses in the Anchorage markets require the volume and type of service to justify the high costs of extending last-mile fiber optic network capability. Moreover, even where justified, several operational impediments hinder extension of fiber plant and access to business locations.

11. First, it is not commercially reasonable to provision services to most Anchorage businesses over fiber plant. Only a very few of the largest businesses in the Anchorage study area have the service demand to justify the high cost of extending fiber plant to and into a commercial building, as well as the expense of the on-premises electronic equipment necessary to provide DS1 services. The average business in the Anchorage markets has 6.36 lines. Such customers are most efficiently served by less expensive copper loop plant, not by fiber plant that requires expensive electronics to deliver the service.

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[2] GCI's ownership of two undersea cables between Alaska and the lower-48 and any other fiber or satellite transport outside of Anchorage does not boost GCI's ability to deploy last-mile facilities to any individual building in Anchorage. *Compare* ACS Forbearance Petition, Statement of Thomas R. Meade ¶ 6. Indeed, the fibers dedicated to the undersea fiber cables in some cases overlap with the fiber cables in the Anchorage MAN. These undersea fibers are necessarily high priority fibers and not available for any other use, and thus, the undersea cables are actually limitations on Anchorage fiber capacity, not enhancements as ACS suggests.

12. The costs of extending the fiber plant and building conduit access are considerable. The downtown areas of Anchorage, which house the largest concentration of businesses, have an especially high cost of construction because of limited space in the roadways and alleys. Naturally ACS and the other underground utilities in the downtown area have secured the best routes over time in the major streets and alleys, mostly during original construction. GCI's challenge in the downtown area is finding routes that do not conflict with these existing utilities. Typically, GCI must cut and replace asphalt to extend fiber plant to buildings. Depending on the location of the actual fiber, road bores, permits to shut roads down, engineering costs, pavement construction, reconstruction, and landscaping add considerably to the cost and time required to install outside plant.

13. Many of the buildings in the downtown areas are multi-story, thus the foundations are thick and require core drilling to access the basements. GCI must therefore contract with a "core-drilling" company, obtain necessary permits, and coordinate with the building owner. In buildings without a usable basement, GCI may have to place EMT conduit on the exterior of the building. In this configuration, the conduit is typically extended from a hand hole up the side of the building to a point where the building can be penetrated. Outside plant cables are not plenum-rated and, thus, to comply with National Electric Codes, GCI must place EMT conduit from the point of entry to the telecommunications room, typically located on the first floor and in the center of the building. Once inside the building, EMT conduit is extended to the telephone room. Recent building entrance projects have averaged $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** per foot to place fiber in right-of-ways, on private property, and into buildings.

14. These costs are not drastically reduced outside of downtown Anchorage. The streets may be wider, provide more routing options, and obviate the need for boring depending on the road material, but GCI still has to avoid existing utilities, procure permits, penetrate the building, get permission form the building owner, and provide expensive electronic equipment.

15. Moreover, designs that involve attaching fiber to power poles require an additional 30-40 days for pole surveys and analysis to be completed and approved. It is not uncommon for the power company to request $5000 or more for "make-ready" work or $10,000 to replace poles that cannot support additional plant.

16. As mentioned, delivery of dial tone services over the fiber network requires expensive equipment such as the battery plant, SONET terminals, and channel banks equipped with POTS cards. For a 96 line location, for example, such equipment can cost from $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** to $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**. Such investment is justified in only a few businesses in Anchorage with the largest demand.

17. Second, even if it were not cost prohibitive, operational impediments would prevent any immediate large-scale fiber build out. For one, Alaska's climate constrains construction efforts. The construction season in Anchorage generally spans from April to October. Typically, winter construction is expensive, if not impossible. To construct during the winter, GCI must contend with cold temperatures, ground freeze, unavailability of materials, and the need for extra care when handling fiber cables. In addition, the Municipality of Anchorage ("MOA") closes the road prisms to any digging around the second week of October. Once the MOA closes the right-of-way, permitted

road activity is considered only on a case-by-case basis. Even if permitted, GCI would have to steam-thaw the ground to lay fiber. Moreover, it is difficult if not impossible to obtain unfrozen backfill materials and the local asphalt plant shuts down during winter months. Placement of fiber optic cables when temperatures drop below freezing requires special handling of the cables to prevent breakage. At temperatures below manufacturers' tolerances of 14 degrees Fahrenheit—not uncommon in Anchorage—fiber placement is simply precluded. Additionally, conduit that is usable during the summer months can be frozen solid and thus inaccessible.

18. Furthermore, access to existing conduit on private property has been a significant challenge for GCI in Anchorage. For one, ACS often impedes GCI's use of conduit. In addition, building owners with existing conduit often do not want an additional conduit into their facility and/or do not have the physical space or power to facilitate placement of the electronics needed to turn the fiber into loop plant.

19. ACS routinely claims that any conduit placed by the property owner is for ACS's exclusive use. ACS has used this asserted ownership and/or control over existing conduit to restrict or completely block GCI access to conduit necessary to install GCI's own loop facilities. The following are examples of the challenges GCI has faced when trying to share conduit with ACS:

> *Peanut Farm*. In the fall of 2005, ACS claimed that they paid to install entrance conduit for an addition to an existing building. GCI placed coaxial cable in the 2" conduit with the approval of the building owner. Citing a need to lay new copper entrance cable for new pay phones, ACS demanded that GCI remove the coaxial cable. GCI attempted to negotiate with ACS to allow both companies to use the 2" conduit. GCI even offered to purchase the conduit from ACS, remove its coaxial cable, and then install both coaxial and copper cable to provide a service path for both companies. ACS would not acquiesce and, over the

customer's objection, ACS forced GCI to remove its coaxial cable and find another building entrance to serve its customer.

Alaska Dance Theater. In the summer of 2005, GCI coordinated with the project manager of a new building to extend conduit into the building. GCI then placed coaxial cable in the conduit. Because this building was in an area without cable telephony services, GCI placed orders with ACS to deliver UNE loops to provide dial tone for the required certificate of occupancy phones. Claiming that GCI's cable could damage ACS's wire, ACS held that order, demanded that GCI remove its cable, and denied GCI's request to share the conduit. As to not delay the customer's phone service, GCI acquiesced and removed its coaxial cable. ACS has not provided GCI access to the conduit.

Bailey's Furniture. In the summer of 2005, the building project manager gave GCI permission to use the only entrance conduit to the building. GCI pulled in a temporary copper cable (along with inner duct) to provide dial tone for 3 POTS lines necessary for the certificate of occupancy phones. When GCI arrived on site to pull in fiber, the ACS line crew demanded that GCI stop. GCI did not acquiesce, but attempted to accommodate ACS by leaving the copper in place and offering to give ACS use of the copper or of inner duct. ACS has not yet responded to GCI's proposal.

III. ACS ACCESS TO GCI'S LAST-MILE FACILITIES

20. While ACS has often hindered GCI's access to customers, GCI has gone out of its way to offer ACS use of the few access lines in Anchorage for which GCI is the sole provider. There are only **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** buildings in Anchorage for which GCI provides all of the facilities. GCI has deployed copper and/or cable plant for voice services to serve approximately **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** lines in three residential subdivisions [on the Elmendorf Air Force base] since 2001.

21. In each of these three subdivisions, GCI notified ACS that it was deploying facilities. ACS had an opportunity to place its own facilities alongside GCI's, and GCI even designed its networks for GR-303 multihosting to provide ACS access to

unbundled loops on GCI's network. GCI went as far as to provide to ACS, at no charge, a site survey of one of the subdivisions, a tour of its equipment, and a copy of the outside plant work order and assignment sheets to allow ACS to understand the design of GCI's facilities more thoroughly. Moreover, GCI has offered ACS access to customers served in these areas through the lease of unbundled GCI loops. ACS has declined to take these steps. ACS's asserted inability to serve customers located in these base communities is therefore inaccurate.[3]

[3] *See* ACS Forbearance Petition at 10 ("GCI serves a subset of its customers over exclusive facilities over which it is not required to give ACS or its other competitors access"); *id.* at 13 (same); *id.* at 14 ("The only Anchorage customers that are denied a choice are those that are being served exclusively by GCI's facilities"); *see also id.*, Bowman Statement ¶ 9 ("To my knowledge, GCI has never provisioned its exclusive facilities to ACS and contends that it is under no obligation to provision access to these facilities.").

Respectfully submitted,

/s/

Blaine Brown
General Communication, Inc.
Senior Manager Planning and Projects,
2550 Denali Street
Anchorage, AK 99503

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. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF GENE STRID

I, Gene Strid, do hereby declare under penalty of perjury:

1. I am Vice President and Chief Engineer, Network Services, for General Communication, Inc. ("GCI"). In this capacity, I have overall responsibility for the engineering and operation of GCI's core network. I have been with GCI since January 1990. Before joining GCI, I was a telecommunications network engineering consultant, the engineer-in-charge of the Alaska branch office for Gillespie, Prudhon & Associates. I am a Professional Engineer, registered in the State of Alaska. I have been working as a telecommunications engineer in Alaska since August 1974.

2. In this statement, I discuss GCI's use of wireless local loops ("WLLs") in Anchorage, and its ability to quickly deploy wireless local loops to provide service to business and residential customers. In particular, I explain why ACS's suggestion that GCI could use WLL to replace a large number of UNE loops in the Anchorage markets within a commercially reasonable time is incorrect.

3. GCI does currently use a handful of WLLs to provide voice service in Anchorage, using three already-constructed base stations. GCI uses WLL on a case-by-case basis, often to provide temporary service, and has not designed its network to

replace UNEs throughout Anchorage. In addition, the existing network is not designed for provision of high capacity services, and GCI therefore cannot provide DS1 or other multi-megabit capacity services over its existing WLL network.

4. Furthermore, it is difficult to add customers to GCI's existing WLL network in some portions of Anchorage, particularly where heavy trees, local buildings, and/or hills and valleys impede reception. For example, it is often difficult or impossible to serve customers in the furthest southern parts of Anchorage using GCI's existing WLL network.

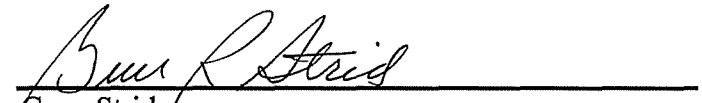
5. In order to use WLLs to replace a significant number of UNEs, GCI would have to embark on a large-scale network design, construction, provisioning, and installation process, which would take a substantial period of time. Consequently, as Gina Borland previously explained, replacing UNEs with WLLs in the Anchorage markets would require GCI to start essentially from square one.[1] The time necessary to complete such a project would be measured in years, not months, and GCI could certainly not complete this process quickly enough to provide service to residential or business customers within a commercially reasonable time.

6. With respect to high capacity services, I am unaware of any service provider currently using WLLs to successfully provide DS1-equivalent service on any significant scale. It is my understanding that entities that have pursued this business model, such as Teligent and Winstar, have encountered insurmountable technical and economic obstacles. If GCI were to undertake such a project, it would be time-

[1] *See* Declaration of Gina Borland ¶ 48, attached as Exhibit A to *Opposition of General Communication, Inc.to the Peition for Forbearance from Sections 251(c)(3) and 252(d)(1) of the Communications Act Filed by ACS of Anchorage,* WC Docket No. 05-281 (filed January 9, 2006).

consuming and difficult, and success would not be a foregone conclusion, particularly within the timeframe that ACS proposes to discontinue providing UNEs at regulated rates.

Respectfully submitted,



Gene Strid
General Communication, Inc.
Vice President & Chief Engineer, Network Services
2550 Denali Street
Anchorage, AK 99503