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August 14, 2006

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Denali PCS, LLC/Alaska DigiTel, LLC August 4, 2006 Letter
WT Docket No. 06-114 Roaming/Transport Competitive Issue

Dear Ms. Dortch:

This letter is filed on behalf of ACS Wireless, Inc. (“ACSW”) concerning the discussion of the transport/roaming competitive issue in the letter filed by Denali PCS, LLC (“Denali”) and Alaska DigiTel (“DigiTel”), with the concurrence of General Communication, Inc. (“GCI”) (jointly referred to herein as the “Applicants”) on August 4, 2006 in this docket.¹

The Applicants recognize that GCI controls two of the three fiber optic cables between Alaska and the Lower 48.² However, they ignore real risks that, by acquiring control of DigiTel, GCI can leverage its transport market power to restrict competition in the roaming market. GCI can indeed offer below-cost prices on interstate transport service to carry out an anti-competitive business strategy. In particular, the 2005 Omnibus Legislation does not affect its special access transport prices.³

In its Comments/*Ex Parte* Filing, ACSW showed that, as a result of acquiring control of DigiTel, GCI will be in a position to restrict competition by tying together roaming and

¹ See Letter filed by Denali/DigiTel, *In the Matter of Applications for the Assignment of Licenses from Denali PCS, L.L.C. to Alaska DigiTel, L.L.C. and the Transfer of Control of Interests in Alaska DigiTel, L.L.C. to General Communications, Inc.*, WT Docket No. 06-114 (Aug. 4, 2006) (“Denali/DigiTel Letter”) at 4.

² See *id.*

³ See Consolidated Appropriations Act, 2005, Pub. L. No. 108-447 Division J, Title I, § 112, attached hereto as Attachment A.

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wholesale transport services to Lower 48 carriers.⁴ For example, GCI could offer carriers a sweetheart deal on roaming if carriers also used GCI for transport, or GCI could offer below-cost transport prices to effectively coerce carriers away from competitors' roaming services.⁵

The Denali/DigiTel letter did not address these concerns. Instead, applicants attempt to deflect these competitive risks by noting ACSW has not presented any evidence that GCI favors Dobson Communications, Inc., its current reseller partner.⁶ Applicants have either completely missed or ignored ACSW's point. GCI claims it has no control over Dobson, but it certainly will exercise important areas of control over DigiTel after the transaction closes. When GCI negotiates prices for Lower 48 carrier customers that need transport as well as roaming services, GCI can control the DigiTel prices included in a deal to ensure GCI an overall return regardless of whether the revenue shows up directly on GCI's books, or if it shows up indirectly via DigiTel's financial statements. The Applicants have completely failed to respond to these competitive concerns.

Applicants are wrong that GCI cannot offer below-cost prices on transport service as part of an anti-competitive business strategy. GCI has the ability to charge below-cost prices for transport service, in particular, because it has flexibility to lower interstate special access prices. The statutory pricing mechanism set forth in Section 112 of Title I of Division J of the Consolidated Appropriations Act, 2005 does not affect GCI's prices for interstate special access service.⁷ By its terms, the Act governs only switched transport service.

As ACSW showed in its Comments/*Ex Parte* Filing, special access transport service is very strategically important to the transport market.⁸ With the exponential growth of data, Internet, and other private line traffic, special access transport is in great demand.⁹ Moreover, Lower 48 carriers typically desire redundant transport for private line and mobile data services, and today, GCI is the only carrier that can meet that need.¹⁰ Thus, special access transport pricing flexibility provides GCI with a significant ability to tie transport and roaming services to restrict competition.

⁴ See ACSW Comments/*Ex Parte* Filing and Petition to Intervene, *In the Matter of Applications for the Assignment of Licenses from Denali PCS, L.L.C. to Alaska DigiTel, L.L.C. and the Transfer of Control of Interests in Alaska DigiTel, L.L.C. to General Communications, Inc.*, WT Docket No. 06-114 (July 21, 2006) ("ACSW Comments/*Ex Parte* Filing") at 13-14.

⁵ See *id.*

⁶ See Denali/DigiTel Letter at 4.

⁷ See Attachment A (statutory provision).

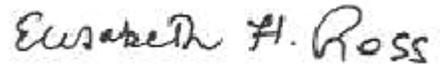
⁸ See ACSW Comments/*Ex Parte* Filing at 13-14.

⁹ See *id.*

¹⁰ See *id.*

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Sincerely yours,

A handwritten signature in black ink that reads "Elisabeth H. Ross". The signature is written in a cursive, slightly slanted style.

Elisabeth H. Ross

cc: Erin McGrath
Susan Singer
Thomas Gutierrez
Russell D. Lukas
Carl W. Northrop
Stefan M. Lopatkiewicz