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November 1, 2006

VIA ELECTRONIC FILING
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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

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

Dear Ms. Dortch:

ACS of Anchorage, Inc. (“ACS”), by its attorneys, hereby submits data and clarification requested by the Wireline Competition Bureau (“WCB”) staff regarding ACS’s October 13, 2006 *ex parte* submission in the above-referenced docket.¹ Specifically, ACS provides the data submitted in the October 13 *ex parte* broken down in the following manner: (i) retail line, UNE loop and wholesale data divided into the 12 areas identified by General Communication, Inc. (“GCI”) in its Opposition; (ii) ACS retail access lines provided to business customers subdivided by DS0 and DS1 lines; and (iii) special access circuits provided to ACS retail customers and to other carriers broken down by wire center.

Clarification of Data

In this filing, ACS provides its switched retail access lines, wholesale lines, UNE lines and special access circuits supplied in the October 13 *ex parte* submission, broken down by the 5

¹ *Ex Parte* Submission of ACS of Anchorage, Inc., *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Sections 251(c)(3) and 252(d)(1) of the Communications in the Anchorage LEC Study Area, WC Docket No. 05-281* (filed Oct. 13, 2006).

wire centers, 6 remote switches and 1 remote concentrator.² ACS also breaks down its business retail access lines by DS0 and by high capacity line. Some access lines are provisioned over T-carrier circuits and are represented in Attachment 1 as voice-grade equivalents. ACS also provides in a separate column the number of DS1 circuits that are used to provision these switched access services.

ACS supplements the special access data in Attachment 2 of the October 13 *ex parte* filing with the number of special access circuits ACS provides directly to retail customers from ACS's interstate access tariff. ACS also provides the number of special access services ordered by other carriers, as well as ACS's affiliates (including ACS's long-distance, Internet and wireless affiliates). As demonstrated by the data in Attachment 2, ACS provides a very small number of special access circuits directly to end-user customers. Most end-user customers purchase special access from their long-distance provider (*e.g.*, GCI, AT&T, ACS's long-distance affiliate).

For certain special access circuits, ACS is unable to break data down by wire center or remote terminal service area. ACS can only determine the corresponding switch or remote terminal for these service orders by manually reviewing these orders and tracing the customer location to the associated facility. Therefore, ACS has not included this data here.

To clarify and elaborate on the UNE loop data in ACS's October 13 filing, GCI is the only carrier in Anchorage currently purchasing UNEs. The loops that ACS provisions to GCI are primarily analog copper loops. Neither GCI nor any other carrier in Anchorage orders UNE transport from ACS. ACS is unable to determine the specific services that GCI provides to its customers using ACS's UNEs and special access. Since GCI uses its own switch, all UNEs that ACS provides to GCI are not switched by ACS. Thus, ACS has no way to know whether the DS1 UNEs that ACS provides to GCI are for switched or non-switched services. Likewise, ACS has no way to know which DS0 UNE lines are multiplexed or bundled to provide higher capacity services. Moreover, ACS cannot easily determine whether the special access circuits that GCI orders from ACS's intrastate tariff are used to provide special access to end-user customers or whether GCI uses this service as a substitute for UNEs. However, given the relatively low UNE rates in Anchorage and the low number of intrastate special access circuits provided to GCI, it is unlikely that special access is a substitute for UNEs in Anchorage.

GCI Is Not Impaired In Any Portion of Anchorage Without ACS's UNEs

Although ACS is providing data broken down by the 12 areas served by the 5 wire centers, 6 remote terminals and 1 remote concentrator at the Commission's request, ACS believes that the Commission should base its wire center analysis on the five actual wire centers that ACS identifies in its filing. GCI's local exchange carrier certification from the RCA covers

² Hope is not a switch center, but rather a remote concentrator that is connected to the South wire center through a microwave link.

the entire Anchorage study area.³ Although GCI chooses not to serve certain portions of the study area, GCI's aggressive acquisition of significant market share in Anchorage and in rural markets in Alaska, and its commitment to serving customers in these areas on its own facilities demonstrates that it is not impaired in providing competitive local exchange services without UNEs.

Further, a snapshot of the number of GCI customers it serves over its own facilities today does not provide a complete picture of the full capabilities of GCI's facilities. GCI has still not provided data regarding its customers served over alternative facilities, including its fiber, wireless local loops ("WLL") and microwave.⁴ To date, GCI has only submitted unsubstantiated projections and estimates regarding the reach of its facilities. Based on the limited data that GCI has submitted into the record, there is no way to evaluate the reliability of GCI's projections. ACS urges the Commission to request that GCI provide complete information regarding its facilities and its technological capabilities.

Additionally, during GCI's 2nd Quarter 2006 earnings call, GCI represented that the plant in the Anchorage, Fairbanks, and Juneau will be upgraded by the end of 2007.⁵ GCI cites to this projection to support its statement to the Commission that GCI "will complete the vast majority of node upgrades on its cable network by the end of 2007 and complete node upgrades by the end of 2008, which GCI expects will enable it to serve substantially all of its residential customers over its own facilities by sometime in 2008."⁶ Meanwhile, GCI continues to deploy resources in other areas of Alaska rather than further speed up its cable telephony deployment in Anchorage. GCI should not be able to continue to extend its reliance on UNEs indefinitely while it clearly dominates the local exchange market in Anchorage and now uses its resources to seek domination in other markets.

As ACS argued in its September 8, 2006 *ex parte* letter, GCI has still not met its burden to demonstrate that it is impaired in providing local exchange service in Anchorage without access to UNEs under Section 251(c)(3) of the Communications Act of 1934, as amended (the

³ Declaration of David E. M. Sappington ¶ 36, attached as Exhibit D 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 (filed Jan. 9, 2005).

⁴ *See also Ex Parte Submission of ACS of Anchorage, Inc., Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area*, WC Docket No. 05-281, at 11, 17 (filed Sept. 8, 2006) ("ACS Sept. 8 *Ex Parte*"); *Reply Comments of ACS of Anchorage, Inc., In Support of Its Petition for Forbearance from Section 251(c)(3) and 252(d)(1)*, WC Docket No. 05-281, at 37-40 (filed Feb. 23, 2006).

⁵ August 9, 2006 GCI Earnings Conference Call Transcript 5.

⁶ *Ex Parte Submission of General Communication, Inc., Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Sections 251(c)(3) and 252(d)(1) of the Communications in the Anchorage LEC Study Area*, WC Docket No. 05-281, at 1-2 (filed Aug. 22, 2006).

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“Act”).⁷ By only granting forbearance where GCI has chosen to use its own facilities today, GCI will continue to have the option of using ACS’s UNEs where they are cheaper than building out GCI’s own facilities while investing its capital in other areas of the state. This is contrary to the Act’s intent in providing UNEs as a transitional mechanism to facilitate competitive entry. As ACS and GCI both demonstrate in the record, GCI is a well-entrenched competitor serving a substantial number of customers on its own facilities and has the capability to serve almost all customers on its own facilities in the near future.

* * * * *

Please contact the undersigned if you have any questions regarding this submission.

Respectfully submitted,

/s/ Karen Brinkmann
Karen Brinkmann
Elizabeth Park
Anne Robinson

Attachments

cc: Jeremy Miller
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⁷ ACS Sept. 8 *Ex Parte* 12-18.

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ATTACHMENT 1

ACS Access Lines, UNEs, and Wholesale Lines as of August 31, 2006

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ATTACHMENT 2

Retail and Wholesale Special Access as of September 2, 2006