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July 17, 2007

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended (47 U.S.C. 160(c)), for Forbearance from Certain Dominant Carrier Regulation of Its Interstate Access Services, and for Forbearance from Title II Regulation of Its Broadband Services, in the Anchorage, Alaska, Incumbent Local Exchange Carrier Study Area, WC Docket No. 06-109 -- Ex Parte Notice*

Dear Ms. Dortch:

On July 13, 2007, Karen Brinkmann, Elizabeth Park and Anne Robinson of Latham & Watkins LLP, met with Jeremy Miller, Tim Stelzig, Jay Atkinson, Denise Coca, Heather Hendrickson, William Kehoe, Bill Dever, Jennifer McKee, Marvin Sacks, Deena Shetler, Al Lewis and Doug Sloten of the Wireline Competition Bureau (“WCB”), regarding the above-referenced proceeding. Leonard Steinberg, Tom Meade and Larry Snipes of ACS of Anchorage, Inc. (“ACS”) joined the meeting by phone. In the meeting, the WCB asked for information related to the scope of ACS’s Petition and the data ACS provided in Exhibit D of its June 29, 2007 *ex parte*.

**Pricing Flexibility**

ACS discussed the importance of pricing flexibility in the Anchorage market. ACS seeks pricing flexibility on both switched and special access services. The Commission staff asked whether the narrowly tailored pricing flexibility previously granted ACS’s predecessor entity, ATU Telecommunications (“ATU”) was exercised. The waiver granted by the Commission allowed ATU to offer volume and term discounts for the local switching rate element and the transport interconnection charge. Because of changing market conditions, ACS never found an opportunity to take advantage of the relief granted in the waiver. In contrast, as described in ACS’s June 29, 2007 *ex parte*, customers in Anchorage will reap substantial competitive benefits

if ACS is granted pricing flexibility on the switched and special access services that ACS identified in its submissions in this docket.

ACS explained that it still should be entitled to receive ICLS at the current per-line amount if granted the pricing flexibility it seeks. ACS has agreed to cap all tariffed interstate access rates and could not increase the subscriber line charge or other common line charges to compensate for any loss of ICLS. ACS reiterated in the meeting that it has agreed to freezing ICLS at the present per line level.

**Data from Exhibit D attached to ACS's June 29, 2007 *ex parte***

Exhibit D, attached to ACS's June 29, 2007 *ex parte*, identifies the retail access lines by wire center provided by ACS, including residential and business lines. The business lines are categorized as DS0 lines and access lines provisioned on T-carrier. In the meeting, ACS clarified that the number of access lines provisioned over T-carrier represent the actual number of individual channels that are connected to a switch. The exhibit also provides a separate column containing data regarding the number of DS1 circuits used to provision switched access lines identified in the table. Each DS1 circuit has the capacity for 24 voice-grade channels; however, only those channels that are connected to a switch are included as voice-grade channels in the retail access line numbers.

Exhibit D additionally includes the retail and wholesale special access provided by ACS. The special access line numbers represent all tariffed special access services. ACS does not currently provide special access pursuant to contract tariffs. At the request of the WCB staff, attached is a revised version of the redacted Exhibit D, identifying the table headings.

\* \* \* \* \*

If you have any questions regarding this submission, please contact the undersigned.

Respectfully submitted,

/s/

Karen Brinkmann

*Counsel to ACS of Anchorage, Inc.*

Enclosure

cc: Jeremy Miller  
Tim Stelzig  
Deena Shetler  
Jay Atkinson  
Denise Coca

LATHAM & WATKINS<sup>LLP</sup>

Heather Hendrickson  
William Kehoe  
Bill Dever  
Jennifer McKee  
Marvin Sacks  
Al Lewis  
Doug Slotten