

March 9, 2012

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Re: *Developing a Unified Intercarrier Compensation Regime, et al.*,
CC Docket Nos. 01-92 and 96-45, WC Docket Nos. 03-109, 05-
337, 07-135 and 10-90, WT Docket No. 10-208, and GN Docket
No. 09-51 – Notice of Ex Parte Communication

Dear Ms. Dortch:

On behalf of Alaska Communications Systems Group, Inc. and its operating subsidiaries (“ACS”), Anand Vadapalli, Chief Executive Officer of ACS and I met today with Commissioner McDowell and Christine Kurth concerning the Commission’s universal service and inter-carrier compensation proceedings in the above-captioned dockets.

ACS described how the Commission’s recent *CAF-ICC Transformation Order*, and particularly the phase-out of certain inter-carrier compensation and restructuring of universal service, and ongoing uncertainty about the pending “Connect America Fund” and “Mobility Fund” support mechanisms, all are affecting the investment climate. ACS also described its continuing commitment to invest in broadband infrastructure in Alaska. The company’s success in deploying advanced broadband capability to the state’s rural locations depends very much on ACS’s ability to gain access to “middle mile” facilities at reasonable prices. Such facilities are essential to link rural communities to the Internet, and capacity is not currently available from competitive sources. Federal support is needed to deploy competitive middle mile facilities, which will lead to reduced retail prices for consumers.

ACS noted that it is actively participating in the ongoing proceedings at the Bureau level to determine the program requirements and distribution rules for Connect America Fund and Mobility Fund support. ACS summarized some of the Alaska-specific cost differences and some of the shortcomings of national modeling efforts that it has detailed in its previous filings in the above-captioned dockets.

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ACS appreciates the allowances that are embodied in the Commission's *CAF-ICC Transformation Order* for the unique difficulties of providing voice and broadband services in Alaska. ACS is grateful to the Commissioners, their staff, and the staff of the Bureaus for the diligent work that went into that decision. ACS is committed to continuing to work with the Bureaus and the Commission to ensure that the final Connect America Fund mechanisms and Mobility Fund auctions yield support that is sufficient, predictable and specific, as required by the Communications Act, so that Alaska is not left out of the broadband economy.

Please direct any questions regarding this matter to me.

Very truly yours,

/s/

Karen Brinkmann

*Counsel to Alaska Communications Systems
Group, Inc.*

cc: Hon. Julius Genachowski
Hon. Robert McDowell
Hon. Mignon Clyburn
Zachary Katz
Michael Steffen
Christine Kurth
Angela Kronenberg
Sharon Gillett
Carol Matthey
Steven Rosenberg
Rebekah Goodheart
Katie King
Amy Bender
Patrick Halley
Joseph Cavender