

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10790 HOUSE JUDICIARY

Prepared by Tamara Alexander, Wendy Arnett, and Joyce McGowan

<i>Utility Type</i>	<i>Informal Complaints</i>	<i>Tariff Filings</i>	<i>Certification Proceedings</i>	<i>Formal Proceedings</i>
Cable Television	0	1	3	0
Electric	72	154	6	8
Generic ¹	0	0	0	6
Natural Gas	19	9	0	4
Pipeline	0	59	5	6
Refuse	25	13	3	5
Steam Heat	0	8	0	0
Telecommunications	587	253	37	54
Wastewater	3	12	2	2
Water	22	27	7	4
<i>Totals</i>	<i>728</i>	<i>536</i>	<i>63</i>	<i>89</i>

The figure above illustrates the distribution of the Commission's workload for filings made in 2002. The table does not include Commission obligations arising from government actions or from initiatives taken by the Commission. Telecommunications represents 168 filings made by Local Exchange Carriers and 85 filings made by Interexchange Telecommunications Carriers.

FORMAL PROCEEDINGS

Prepared by Joyce McGowan

In addition to tariff and certification filings, the Commission institutes formal proceedings to consider: rate changes, rule changes, special contracts, complaints against utilities and pipeline carriers, investigations of service quality or management practices, and regulations. Frequently, requests for general rate changes include or necessitate a restructuring of rates. Formal proceedings impact the Commission's workload due to considerable time and resources required to audit, investigate, prepare prefiled testimony, conduct public hearings, determine and issue decisions, and process requests for reconsideration.

The figure to the right represents categories of formal proceedings, excluding certifications. Rate-related filings continue to dominate the Commission's formal proceedings.

<i>Formal Proceedings</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>
Access Charge Filing	21	21	19	3
Contracts	2	1	6	2
Generic/Regulations	5	10	5	9
<i>Investigations:</i>				
Complaints	0	7	12	9
Management Practices	0	0	3	2
Interconnection	2	1	4	7
Eligible Carrier				
Designation	0	0	1	3
Investigations: Other	3	7	2	10
<i>Rate & Rule Change:</i>				
General Rate Change	6	18	1	14
Rate Restructure	0	5	9	1
Service/Equipment Offering	12	13	18	14
Rate Change: Other	6	1	2	0
Rule Change	1	0	7	0
<i>Miscellaneous</i>				
Equal Access Ballots	5	3	0	2
Protected/Confidential Status	8	16	3	1
Miscellaneous: Other	0	18	7	12
<i>Totals</i>	<i>71</i>	<i>121</i>	<i>99</i>	<i>89</i>

¹ The act involves more than one type of utility.


ALASKA SUPREME COURT CASES

 *Chugach Electric Association, Inc. v. the Regulatory Commission of Alaska*

In fiscal year 1997, Chugach Electric Association, Inc. (Chugach) attempted to arrange power sales contracts with customers in the exclusive service territory of Municipality of Anchorage d/b/a Municipal Light & Power Department (ML&P). After which ML&P filed a complaint with the Alaska Public Utilities Commission (APUC). After briefing, the APUC issued an order prohibiting Chugach from selling power to customers in ML&P's service territory without obtaining a certificate for that service. The Alaska Supreme Court affirmed the APUC order. Case: S-09692, closed

 *Matanuska Electric Association, Inc. v. Chugach Electric Association, Inc.*

In 1997, Matanuska Electric Association, Inc. (MEA) complained that the Cost of Power Adjustment (COPA) for wholesale power it purchased from Chugach Electric Association, Inc. (Chugach) was unjust and unreasonable because Chugach used an excessive line-loss factor in the computation. The Alaska Public Utilities Commission (APUC) issued U-97-36(13), which required Chugach to recalculate the COPA balancing account for 1995 through 1997 and refund excessive charges to its wholesale customers. The superior court reversed the APUC decision and MEA appealed to the Alaska Supreme Court. The Regulatory Commission of Alaska filed an *amicus curiae* brief asking the court to remand the case to the RCA. Case: S-09839, pending

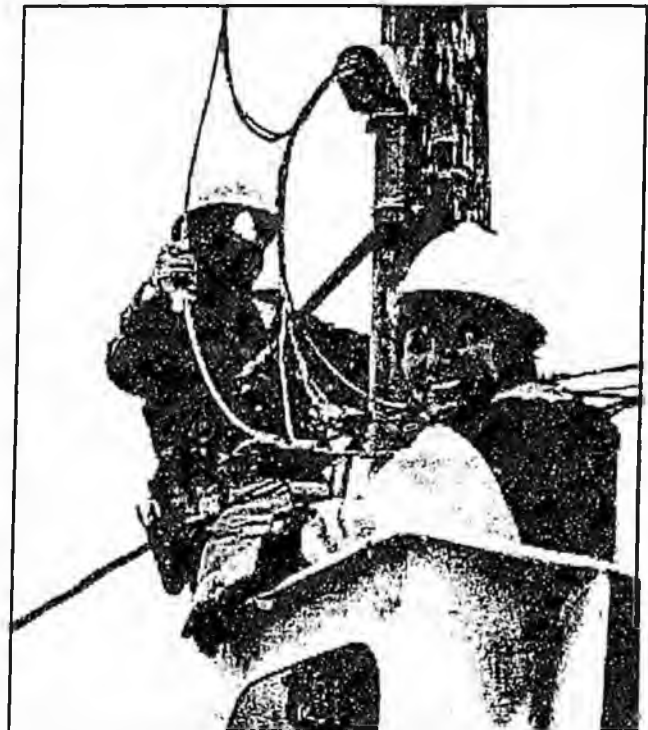
 *ACS of Alaska, Inc., ACS of the Northland, Inc., and ACS of Fairbanks, Inc. v. Regulatory Commission of Alaska and GCI Communication Corporation*

The Alaska Communications Systems, Inc.'s local exchange companies appealed from the superior court decision affirming the Commission's order terminating the rural exemption under the Telecommunications Act of 1996. Case: S-10466, pending

SUPERIOR COURT CASES

 *Chugach Electric Association, Inc. v. Regulatory Commission of Alaska*

After Municipality of Anchorage d/b/a Municipal Light & Power Department (ML&P) filed an application to provide electric service to a non-military customer located on Fort Richardson Army Post, the Regulatory Commission of Alaska (RCA) ruled that ML&P should list its Army Post customers in its tariff rather than in the service area description in its certificate. Municipality of Anchorage d/b/a Municipal Light & Power Department petitioned for reconsideration and Chugach Electric Association, Inc. (Chugach) sought to intervene. After extensive briefing, the RCA ruled that it has concurrent jurisdiction on the military bases so long as there is no conflict with federal law. The RCA held there is no conflict with federal law where no issue of competitive procurement is involved. The RCA determined that it would continue to follow the past practice of listing ML&P's Army Post customers in the service area description of its certificate. The superior court affirmed in the fiscal year of 2002 the RCA's order, holding that the issue Chugach attempted to appeal is not ripe for adjudication. Case: 3AN-01-8288 CI, closed



Alaska Power & Telephone Company (AP&T) Metlakatla crew (Richard Booth and Kathy Brendible) are shown working on a power pole. Photo is courtesy of AP&T.

ACS of Alaska, Inc., ACS of the Northland, Inc., and ACS of Fairbanks, Inc. v. Regulatory Commission of Alaska and GCI Communication Corporation

The local exchange companies now known as the Alaska Communications Systems, Inc. (ACS) companies appealed the Regulatory Commission of Alaska's order terminating its rural exemption under the Telecommunications Act of 1996. After the Iowa Utilities Board II decision by the Eighth Circuit Court of Appeals, the ACS companies moved for a stay of the Commission's order. The superior court denied the stay, and the Alaska Supreme Court rejected a petition for review. The court also denied ACS' motion to vacate the Commission's decision. The superior court issued its substantive order affirming the Commission's decision. Cases: 3AN-98-4759 CI, 3AN-98-4903 CI, 3AN-98-4905 CI (Consolidated); Telephone Utilities of Alaska, Inc. et al. v. RCA, Cases: 3AN-99-3494 CI, 3AN-99-3499 CI (Consolidated), closed

Alaska Exchange Carriers Association, Inc. v. Regulatory Commission of Alaska

Alaska Exchange Carriers Association, Inc. (AECA) filed a proposed tariff revision to change the procedure for modifying the first point of switching. After receiving written comments regarding the proposed tariff revision, the Commission rejected it without holding an evidentiary hearing. Alaska Exchange Carriers Association, Inc. and Alaska Communications Systems, Inc. appealed the order, contending that the Commission could not deny the tariff revision without holding an evidentiary hearing. The superior court remanded these to the Commission for an evidentiary hearing. Case: 3AN-00-3714 CI, pending

ACS of Fairbanks, Inc. et al. v. Regulatory Commission of Alaska and GCI Communication Corporation

Alaska Communications Systems, Inc. filed in the Alaska Superior Court for the same injunctive and declaratory relief it sought in the federal district court. Alaska Communications Systems, Inc. seeks relief from the local exchange interconnection terms arbitrated in U-99-141/142/143. The Superior Court appeal has been stayed while the same issue is litigated in the federal courts. Case: 3AN-00-3725 CI, pending

GTE Communications Corporation v. Regulatory Commission of Alaska

GTE Communications Corporation (GTE) appealed the Commission's order denying petitions to grant confidential status to financial statements filed in compliance with AS 42.05.451(b). Case: 3AN-00-3733 CI, closed

Golden Heart Utilities, Inc. v. Regulatory Commission of Alaska

Golden Heart Utilities, Inc. listed numerous points on appeal of the Commission's decisions in its last rate case. Case: 4FA-02-1444 CI, pending



Manager of Alaska Power & Telephone Co. (AP&T), Wendell Hewes, works in the Wrangell Central Office. Photo is courtesy of AP&T.

9TH CIRCUIT COURT OF APPEALS

ACS of Fairbanks, Inc. et al. v. Regulatory Commission of Alaska and GCI Communication Corporation

These consolidated appeals arose from Alaska Communications Systems, Inc.'s (ACS) original action in federal court seeking injunctive and declaratory relief from the Regulatory Commission of Alaska's decisions approving the results of arbitration in GCI Communication Corporation's request for interconnection under the Telecommunications Act of 1996. The issue in Case No. 01-35344 is whether, by conducting interconnection proceedings under the Telecommunications Act, the Commission has waived the state's 11th amendment immunity from suit in federal court. In the cross-appeal, Case No. 01-35375, ACS appealed the federal district court's grant of a stay of the entire action pending the 9th Circuit's decision on the 11th amendment issue. Cases: 01-35344, 01-35375, pending

STATUTES

The Alaska Legislature reorganized and renamed the Commission to the Regulatory Commission of Alaska (RCA) in 1999 as the state agency responsible for regulation of utilities and pipeline carriers. The RCA exists as an independent agency within the Department of Community and Economic Development under AS 42.04.010. Other provisions in the same chapter of AS 42.04 establish the RCA's structure, provide for the appointment and terms of commissioners and the employment of staff, specify powers and duties of the chair, and describe decision-making procedures for the RCA. The RCA has authority to investigate, hold hearings, prescribe systems of accounts, require the filing of reports, adopt regulations, and take other lawful actions necessary to accomplish the stated purposes of the Alaska Public Utilities Regulatory Act, AS 42.05, and the Pipeline Act, AS 42.06. The RCA's principal regulatory functions are certification and economic regulation (3 AAC 48.820(43)), which includes regulation of rates, quality of service, management practices, and consumer complaints.

The RCA has jurisdiction over public utilities providing electric, telecommunications (interexchange, local exchange, and cable television), steam heat, water and wastewater, natural gas, and refuse.¹ The term "public utility" is defined in AS 42.05.990(4) to mean, in general, an entity that provides any of these utility services to ten or more customers for compensation, or that sells wholesale service to a utility serving ten or more customers.

However, AS 42.05.711 provides statutory exemptions from economic regulation and, in some cases from the certification requirement, for certain kinds of utilities.

- (1) Under AS 42.05.711(b), public utilities owned and operated by a political subdivision of the state are exempt from economic regulation, unless the political subdivision elects to be regulated by the RCA. However, if any utility of a political subdivision is in competition with any other utility, then all that political subdivision's utilities are regulated.²
- (2) Under AS 42.05.711(e), electric and telephone utilities with gross revenues less than \$50,000 are exempt from both certification requirements and economic regulation, unless 25-percent of their customers petition for regulation.
- (3) Under AS 42.05.711(i), refuse utilities with annual gross revenues of \$300,000 or less are exempt from economic regulation, unless customers that pay 25-percent of the utility's gross revenues petition the RCA for regulation under AS 42.05.712(h).
- (4) Under AS 42.05.711(k), cable television utilities are exempt from economic regulation, unless subscribers petition the RCA for regulation under the procedures in AS 42.05.712.
- (5) Under AS 42.05.711(f), (g), and (h), customers of various kinds of utilities may vote for exemption from regulation by the RCA under the procedures in AS 42.05.712.

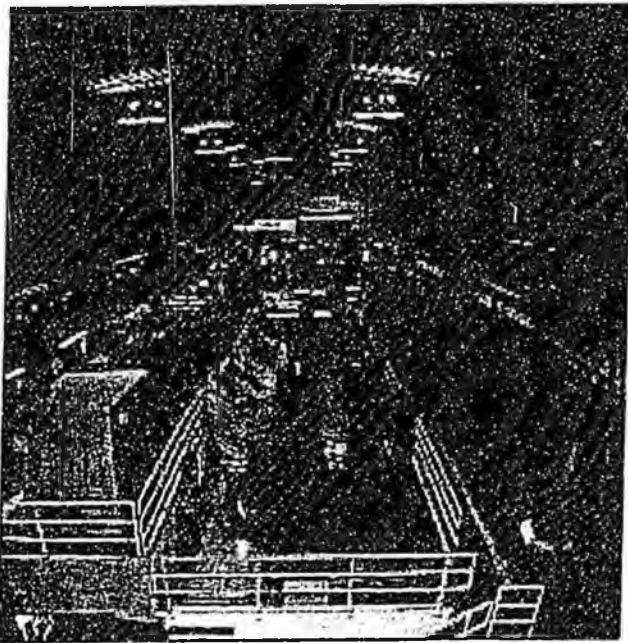
¹ Under AS 42.05.990(4)(E), "public utility" also includes a petroleum or petroleum product distributor "when the consumer has no alternative in the choice of supplier of an alternative product or service at an equal or lesser price;..." No entities meeting this definition of "public utility" are currently certificated or regulated by the Commission.

² The utilities of the Municipality of Anchorage are the only utilities operated by a political subdivision that are currently subject to economic regulation by the Commission.

(6) The RCA also has discretion under AS 42.05.711(d) to exempt a utility from all or a portion of AS 42.05 if it determines the exemption is in the public interest. The Alaska Public Utilities Commission and the RCA have exercised discretion under this statute to exempt some utilities particularly small water and competing refuse utilities from economic regulation requirements.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Alaska Statutes 42.05.221 requires a public utility to obtain a certificate of public convenience and necessity from the Regulatory Commission of Alaska (RCA) before commencing service to the public. A certificate describes the nature and extent of authority granted to the utility, including, if appropriate, a description of the authorized service area and the scope of operations of the utility. Before issuing a certificate, the RCA must, under AS 42.05.241, find that the applicant is fit, willing, and able to provide the service and that the service is required for the convenience and necessity of the public. Alaska Statutes 42.05.241 also authorizes the RCA to eliminate undesirable duplication of utility service. The RCA has authority under AS 42.05.271 to amend, modify, revoke, or suspend certificates.



Snettisham Powerplant produces 80-percent of Juneau's electricity. Photo is courtesy of Alaska Electric Light & Power Company.

RATE REGULATIONS

The Regulatory Commission of Alaska (RCA) is responsible for making or requiring just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for public utilities. The rate review process, prescribed by AS 42.05.361-42.05.441, most often begins with a tariff filing by a utility. Within 45-days, the RCA approves the filing or suspends it for further investigation. The RCA may permit an interim and refundable rate increase. If after investigation, the RCA finds the proposed rate or term of service unjust and unreasonable, the RCA will determine a just and reasonable rate or term of service.

The RCA also works with the Alaska Energy Authority in administering the Power Cost Equalization program. The RCA determines the eligibility of electric utilities and the kilowatt-hour amount paid under AS 42.45.100-42.45.190.

PIPELINE CARRIERS

The Regulatory Commission of Alaska (RCA) also regulates the intrastate transportation services of oil and gas pipelines in Alaska. Under AS 42.06.240-42.06.305, the RCA grants certificates of public convenience and necessity for pipeline transportation service, and for construction or operation of any pipeline facilities in the state. The RCA has authority under AS 42.06.350-42.06.420 to review and determine intrastate service rates and charges of pipelines in the state.

The RCA is also authorized under AS 31.15.010-31.15.050 to determine if unjust and unreasonable discrimination has occurred in the sale of oil offered for purchase within Alaska.

ALASKA ADMINISTRATIVE CODE

As authorized under AS 42.05.151 and other statutory provisions, the Regulatory Commission of Alaska has adopted regulations to carry out its statutory duties. The Commission's regulations are set out in the Alaska Administrative Code at Title 3, Part 5, Chapter 47 (Regulatory Cost Charge); Chapter 48 (Practice and Procedure); Chapter 49 (Deregulation); Chapter 50 (Energy Conservation); Chapter 51 (Telecommunications Relay Service); Chapter 52 (Operation of Public Utilities); and Chapter 53 (Telecommunications).

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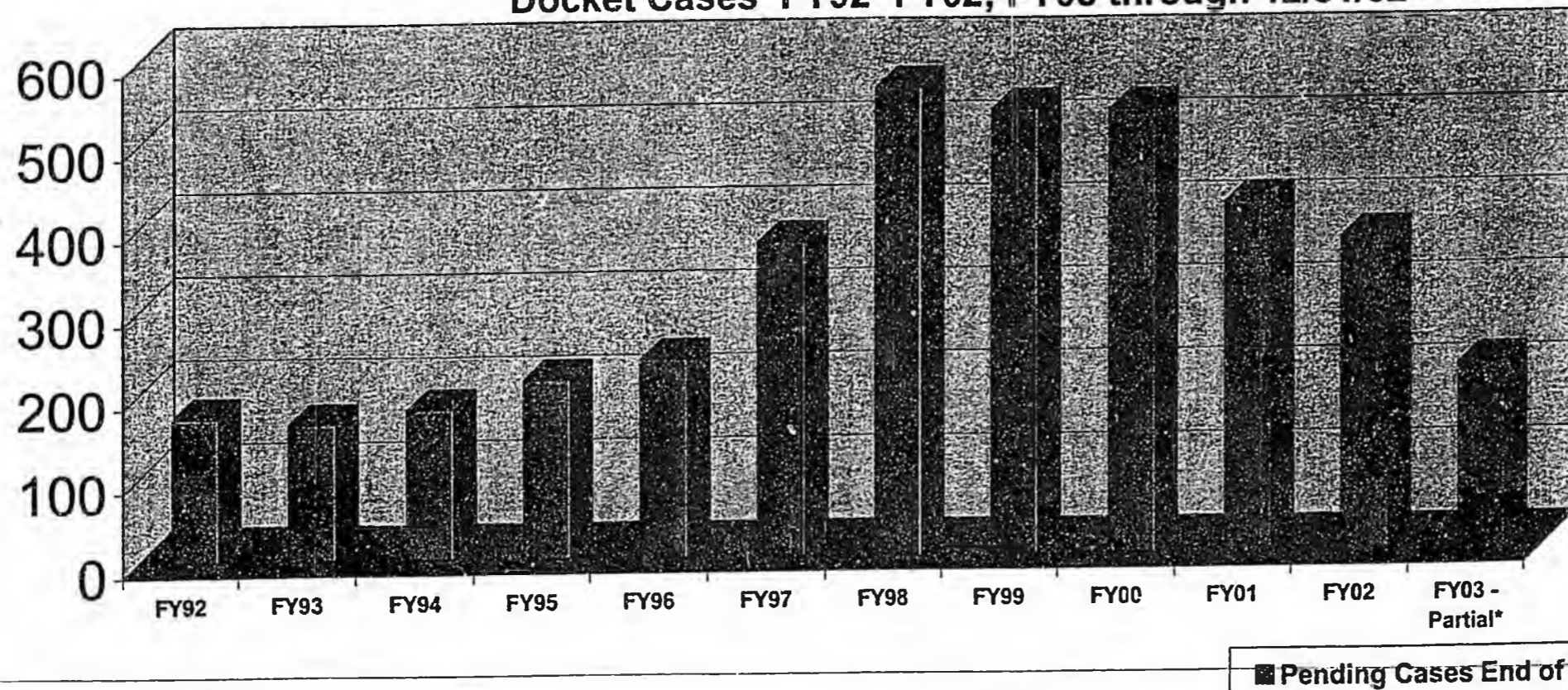
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THE RCA CASE BACKLOG IS GONE

Docket Cases FY92- FY02; FY03 through 12/31/02



DOCKET CASELOAD
Change in Docket Caseload FY97-FY03*

	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	Y03 - Partial*
Pending Cases Beginning of Year	189	171	163	179	213	236	375	559	532	531	418	375
New Dockets Opened	111	91	143	97	110	219	266	171	205	172	152	62
Dockets Closed	129	99	127	63	87	80	82	198	206	285	195	216
Percentage of Pending Cases Closed	116.2%	108.8%	88.8%	64.9%	79.1%	36.5%	30.8%	115.8%	100.5%	165.7%	129.3%	348.4%
Percent Change in Pending Caseload	54.1%	79.1%	25.2%	119.6%	114.5%	71.2%	110.2%	211.1%	159.0%	143.0%	146.7%	256.5%
	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	Y03 - Partial*
Pending Cases End of Year	171	163	179	213	236	375	559	532	531	418	375	221

*July 1, 2002-Dec. 31, 2002

HB

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(File 2 of 5)

Mr. Chairman: Thank you for this opportunity to meet with you. I am Dave Harbour, Chairman of the Regulatory Commission of Alaska. My duty today, is to advise you on the many, complex fiscal and regulatory issues created when the House Labor and Commerce Committee added several telecommunications companies' amendments to the Commission's reauthorization bill.

My fellow Commissioners and I believe that both the industry and my agency face significant challenges with telecommunication policies and we are dedicated to addressing them in a fair and balanced way as you would wish. However, the amendments tacked on to this reauthorization bill will only address special interests of certain players at consumer expense, without addressing the fundamental problems. I will explain.

The Telecommunications Act of 1996 was designed to promote local competition in an industry dominated by the large Regional Bell Operating Companies. Alaska, however, doesn't fit this mold. Our local companies serve relatively small exchanges and are not the primary provider of intrastate long distance services. Anchorage's incumbent local exchange carrier faces competition from a company with access to cable facilities and a strong presence in the long distance market. Put simply, Federal policies were not designed with Alaska in mind.

Under the Act as interpreted by the Federal Communications Commission, we are required to set rates on a forward looking cost basis, regardless of whether the results reflect the existing costs faced by the incumbent carrier. We are required to follow Federal rules to determine profit when developing rates. In competitive areas such as Anchorage and Fairbanks, Federal law requires that carriers set interconnection rates based on Federal negotiation and arbitration standards.

Similarly, we are required to follow Federal policies to determine when a carrier may be deemed eligible to receive Federal universal service funding in competition with an incumbent. The FCC also controls how much support a competitor is eligible to receive.

Though we have opened up the long distance market to statewide facilities competition, the FCC still restricts where a carrier may build an earth station. Until the Federal policy is modified, Alascom's facilities monopoly in about 140 remote rural locations in the state will probably continue.

We are charged to enforce a host of Federal obligations and limitations on incumbent carriers and one of the reasons all states have regulatory agencies, is to deal with the details and complexities of changing federal rules, markets and technology. For example, our authority to regulate new technologies such as cable telephony or the new Broadband Power Line technology and our ability to require fair rates for interconnect to such emerging networks, is part of a new world of emerging issues.

*FYI -
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These situations are challenges both for the industry and for the Commission. We welcome efforts to improve the current system. However, most of our challenges lie at the Federal level and that is where we believe much of the effort should be directed. We are discussing with the Governor's office, an effort (i.e. surely, in coordination with Senator Steven's office) to propose an Alaskan recommendation to the FCC allowing our state greater flexibility to manage competition, given our unique characteristics. All could benefit from such a solution, and we believe it will take Federal action, rather than changes in Alaska's statutes, to resolve most of the issues of current concern.

Many of the proposals before you attempt to solve the Federal problem by adopting state policies that conflict with Federal law. Statutory changes at odds with Federal law, will only lead to unnecessary litigation or federal preemption of state authority. This will increase the cost of regulation without a net benefit, since in the end, Federal law will prevail. Service to customers may be delayed or denied, and market instability may occur, as the industry and the Commission attempt to resolve these complex issues.

We believe it counterproductive to adopt any statutory changes that are inconsistent with Federal law, or that compromise the ability of the Commission to ensure due process when determining just and reasonable rates. The bulleted items below represent principle areas of concern. I have followed them with more detailed, section-by-section comments.

- The proposal would prematurely deregulate monopoly local and long distance carriers. Deregulation could occur when as many as 100% of the local customers in a given market had **no access** to a full-service competitor! Lack of price control may be especially critical in rural areas that may not face effective competition due to their remoteness, high cost and low population density.
- Except in very limited cases, the Commission could not require a carrier to upgrade its facilities¹ in light of consumer complaints. Customers unhappy with service quality could not obtain Commission help to require a utility to upgrade its facilities to meet a reasonable public need. Inadequate telecommunications infrastructure could defer economic development in rural areas.²
- Except in very limited cases, the Commission could not revise a carrier's depreciation rates to meet 'just and reasonable' ratemaking outcomes, or control the resultant increase in local rates, even if that carrier had already recovered the majority of its capital investment.

¹ The term, "facilities" generally means the electronic equipment, cables, and other infrastructure needed to provide service to customers.

² The Regulatory Commission of Alaska currently process approximately 730 citizen complaints per year, from the North Slope to Southeast Alaska. The majority of these, almost 600, are directed at telecommunications utilities. The Commission resolves complaints with utilities informally, when possible; at other times it adjudicates complaints through formal procedures.

- The Commission must accept a carrier's increased interconnection rates even when negotiation or arbitration fail and competitors contest those rates, if the carrier self-certified its compliances with the proposed act.

Our goal, as statutes direct, is to protect the public interest: determining through due-process, just and reasonable rates for consumers and the opportunity for utilities to gather fair returns on their investments. We support Governor Murkowski's clean version of the RCA reauthorization bill as the best way to protect the public interest. The proposed legislation cannot remedy defects with Federal policies and has the potential to increase customer rates while reducing quality of service in our state. Changes are best directed at the federal level through a coordinated effort by the administration, industry and the Commission. Thank you again for this opportunity to comment.

Section-by-Section Comments

Sec 2: Proposed AS 42.05.145(b):

- The proposal would prevent the Commission from treating monopoly local carriers as dominant carriers, limiting the Commission's ability to monitor and ensure fair consumer rates. Under proposed section AS 42.05.145(b), the Commission cannot regulate an incumbent local carrier as dominant if a) the carrier has less than 60% statewide market share and b) another carrier has an approved application to serve somewhere in the incumbent's service area. All local carriers in Alaska have less than 60% statewide market share, making 60% a meaningless and misleading distinction. As a result, incumbent local carriers would be deemed non-dominant when any other carrier receives certification, even though the competitor may never actually serve or may provide only limited service in the area. Rural local carriers already receive strong protection under the Act from competition. The Act's Rural Exemption releases a rural local carrier from federal forward-looking rate setting practices, unbundled network element policies and the duty to negotiate interconnection rates with a competitor.³ Further statutory protection is unneeded and risks harm to consumers. The long-standing policy of regulating monopolies remains valid and protects the public from undue rate increases and reductions in service quality.

Sec 3: Proposed AS 42.05.291(e):

- The first sentence of this proposal is unclear, but would apply to all utilities and would appear to prevent the Commission from requiring an updated quality of service standard to existing utility facilities or services, even if the current standards and requirements had become outdated or obsolete.

³ The Rural Exemption cannot be lifted unless the Commission finds that the result would not be unduly economically burdensome, is technically feasible and is consistent with provisions of the Act related to Universal Service. 47 U.S.C. 251(f).

- Under the second sentence of (e), the Commission would be unable to require any telecommunications utility to upgrade its plant in response to customer complaints or desires for improved service quality or availability. This prohibition would apply both to competitive and non-competitive markets. Given the long life of utility plant (at times decades), the proposed section (e) is especially damaging to consumers. Poor quality or antiquated telecommunications infrastructure could delay availability of Internet access and deter economic development in rural areas. Adequate protections exist to allow companies to explain why upgrades may be too expensive or impractical.

Sec 4: Proposed AS 42.05.381(k):

- This part of the proposal abides by neither the IRS depreciation standards nor traditional regulatory standards. One of the IRS' publications alone, on depreciation, consumes about 107 pages of text.⁴ In contrast, the pending proposal advocates one simple depreciation rule—*any rate is justified provided the life employed is no shorter than the service life permitted by the IRS*. The proposal ignores all other limitations, including that the utility stop recovering depreciation expense once the cost of an asset has been fully recovered. The proposal would also allow accelerated depreciation, making it possible for the carrier to increase its depreciation rates for the purpose of setting utility rates.⁵

Unlike the IRS, the Commission does not have a 107-page publication describing depreciation rates. We have flexibility and generally would allow a proposed depreciation rate if the utility could justify it. (However, utilities must supply accurate information and have not always done so.) This proposed legislation would effectively prevent review and approval of depreciation rates so long as the utility had claimed it had used the IRS lives.

- Given the constraints on Commission action, this proposal would curtail the Commission's authority to enforce the existing statutory requirement that depreciation rates not be excessive. AS 42.05.471
- Depreciation expense is a key component for determining rates for a utility. The Commission would have to accept a utility rate increase based on a potentially accelerated depreciation expense that could not be contested except in limited circumstance as specified by the amendment.

⁴ See IRS Publication 946.

⁵ Accelerated depreciation allows the utility to set a high depreciation rate in early years, followed (in theory) by a lower depreciation rate in later years. However, under this proposal, the utility would not be required to set a lower rate in later years, even if the utility had substantially recovered its investment.

Sec 4 (Cont.): Proposed AS 42.05.381(1):

- The first sentence allows the carrier to recover the costs “it expects to incur”. While the meaning is vague, parties may argue that the Commission must accept the carrier’s proposal even if costs were disputed. This provision may be inconsistent with the Act requirement that open issues be resolved through negotiation and arbitration.⁶
- The first sentence also requires that the carrier shall be “allowed a reasonable profit.” In contrast, FCC policies state that normal profit is already embedded in the concept of forward-looking costs and so no additional profit component would generally be allowed when determining local interconnection rates.⁷ As a result, the intent of this provision appears to conflict with Federal policy.
- The second sentence states that “current costs” provide the best evidence for setting rates.⁸ However, this would be inconsistent with requirements of FCC regulations⁹ that local interconnection rates be based on forward-looking costs.
- The third sentence provides that depreciation and capital costs may reflect “increased business risk” and must be consistent with provision (k). As previously indicated, provision (k) would place no effective constraint on depreciation rates or capital recovery. As a result, the carrier could set its level of capital recovery virtually at will. This would be inconsistent with the Act and FCC requirements that rates be based on forward-looking costs. This provision would also be inconsistent with the requirement that rates be based upon negotiation and, if necessary, arbitration. To the extent a carrier has the ability to raise its interconnection rates¹⁰ in light of this provision, it could negatively affect competition and increase utility rates in the market. The term “business risk” is not defined and is legally arguable.
- The last section of this provision would make a carrier obligated to pay another carrier’s investment costs if the first carrier at any time cancelled use of the other carrier’s services. In a free market, competitors are not given full and unconditional recovery of investment, plus opportunity for double recovery. Yet that is what this proposal would achieve. The incumbent carrier would be fully compensated for its investment by a competitor, and then allowed further

⁶ 47 U.S.C. 251(c), 47 U.S.C. 252(b)(1).

⁷ FCC Order FCC 96-325, paragraph 700.

⁸ The term “current costs” probably means the costs as recorded in the utility’s books and records. The current costs may reflect the utility’s existing technology and past management decisions. In contrast, forward-looking costs attempt to estimate the costs if service were provided by an efficient provider and without limitations caused by historical factors.

⁹ 47 C.F.R. 51.505.

¹⁰ An interconnection agreement provides the terms and conditions for purchase of one carrier’s services by a competitor.

opportunity for recovery as it uses those facilities for other purposes. New carriers may not want to risk entering Alaska markets knowing that by buying services from the incumbent, they may be required to pay all of the incumbent's investment within 90 days, as under this change.

Sec 5: Proposed AS 42.05.433(a) through (g). This proposal would allow full rate and quality of service deregulation of qualifying local and interexchange carriers. (Proposed AS 42.05.433(d)).

- It would prematurely deregulate local exchange carriers and allow deregulation even though 50% of the carrier's retail customers had no competitive choice. For example, if as a result of competition in Valdez, a carrier met the 50% benchmark, then service it provides to McCarthy would also be deregulated, even though the Commission might have a pending quality of service or rate complaint for that area.

As another example, if services in a big city are deregulated and the Incumbent is given flexibility to raise local retail rates and UNE¹¹ rates at will (as would occur under Sections 5 & 8), then customers in subdivisions where the Incumbent had the only facilities would be positioned to pay the Incumbent's price, either directly or indirectly as the Competitor passed on to its customers the costs of the higher Incumbent UNE rates. Further, the Commission would be unable to address consumer quality of service complaints like those recently raised against a large Incumbent for providing wireless services in place of wire line services in Anchorage and other locations.

- This proposal could prematurely deregulate the entire state for long distance services even though Alascom, Inc. retains a facilities monopoly in many areas of the state and the FCC prevents competitors from building duplicate earth stations in most of Alaska. We also note that the term "long distance" is not defined, and therefore the scope of deregulation could be quite broad.
- If deregulation occurs before effective competition exists throughout a Competitive Service Area, then customers are likely to experience rate increases and reduction of service quality. The Commission will be able to take no meaningful action when rates increase in areas with an effective monopoly. The Commission would also be unable to act on any resultant complaints until after a formal proceeding successfully led to repeal of the self-certification as the result of a written finding and order. Given the minimal standards for deregulation at section (g), it would be unlikely that the Commission could properly regulate an area, even if it concluded the carrier held an effective monopoly.

¹¹ Unbundled Network Element

- The amendment would allow monopoly and other carriers to deregulate their services at will by self-certifying that the area satisfies the competitive service area standard of the section. Upon self-certification, all pending Commission proceedings, including those involving consumer complaints would appear to cease. As a result, carriers would have an incentive to prematurely self-certify so as to avoid or delay continued scrutiny of pending quality of service or rate investigations.
- Provisions of (f) are problematic if the intent is to assign carrier of last resort obligations among interexchange carriers based on retail market share. A carrier may have a significant retail market share while owning few facilities. Such carriers may be unable to meet new, required carrier of last resort obligations absent construction of significant new, duplicative facilities. We may be forced to require carriers to build new facilities at locations where duplicate earth stations would make no sense. Carriers may be reluctant to enter the market if this means they must take on carrier of last resort obligations. It would further enhance incumbent monopolies.
- Sharing carrier of last resort responsibilities among several interexchange carriers has the potential to reduce quality of service. For example, the networks of the two largest carriers (Alascom and GCI) use incompatible technologies. As a result, calls between the two networks may require that a call be placed using multiple satellite hops, reducing call quality. Also sharing carrier of last resort responsibilities may leave the state dependent upon multiple carriers with a variety of potentially incompatible systems. This may compromise system reliability and make network-wide planning difficult. Further, determination of "carriers of last resort" will be controversial as we attempt to assure universal service while preventing "cherry picking" of the most profitable locations.

Sec. 5 (Cont.): Proposed AS 42.05.435

- The intent of section (b) is ill defined. This provision states that arbitrated rates should be set as close as possible to the prices arrived at between a willing buyer and a willing seller (i.e., "market prices") yet arbitration would likely only occur if the buyer and seller were unwilling to agree on rates. Nor is it clear which "willing buyers" and which "willing sellers" are referred to. It is not necessarily reasonable to base Alaska interconnection rates on the prices willing buyers and sellers may reach in the Lower 48.
- Section (c) requires that a carrier be "fully compensated" for all capital expenditures related to the furnishing of its facilities to another carrier. Put another way, the carrier must be compensated for its current costs of investment. However, FCC regulations require that UNE rates be based on forward looking costs. As a result this provision would appear inconsistent with federal requirements.

Sec 6: AS 42.05.810

- This section implies the Commission may regulate a long distance carrier as dominant when the carrier has a statewide market share of 60% or more. However, earlier provisions effectively deregulate the long distance market, rendering this section moot.

Sec. 8: APPLICABILITY

- This section allows the incumbent local exchange carrier to immediately adjust its interconnection rates after providing a written statement to the Commission certifying its compliance with the state law. Self-certification is inconsistent with requirements of the Act that allow a competitor (or the incumbent) to petition a state commission for compulsory arbitration of interconnection rate disputes. 47 USC 252(b). Further there is no mechanism to allow dispute of the incumbent's self certification (outside of litigation or Federal preemption). To the extent that the incumbent can implement unjustified, high interconnection rates at will, it has the potential to significantly reduce the level of competition and increase its ability to raise rates to Alaskan citizens.

Sec: 9: CARRIER OF LAST RESORT

- This provision requires the Commission to determine the financial cost of the obligation of being a carrier of last resort while other provisions remove the tools (i.e., accounting standards) necessary to determine what may be a valid obligation.
- Payment toward the carrier of last resort's obligation is a form of universal service support. The Act requires that "all providers of telecommunications services" pay such compensation.¹² As this provision would limit payment to carriers serving a competitive area, it violates the federal telecommunications Act.

¹² 47 U.S.C. 254(b)(4).

TESTIMONY OF KRISTI CATLIN
HOUSE JUDICIARY COMMITTEE
HOUSE BILL 111
MAY 15, 2003

Good afternoon, Mr. Chairman and members of the committee. For the record, my name is Kristi Catlin, Director of Government Affairs for AT&T Alascom, with its main business address at 210 E. Bluff Drive, Anchorage, Alaska 99501. Thank you for the opportunity to testify at this hearing.

Throughout this session, AT&T Alascom has consistently supported its Dominance amendment language, while reserving its opinion about the other proposed amendments until our internal analysis could be completed on those amendments. As you know, this amendment process has taken on a life of its own, and what started out to be a reasonable request for market definitions has now turned into a far-reaching amendment, parts of which cannot be supported by AT&T Alascom.

With that in mind, and after a great deal of thought and consideration, as a result of some of the changes that have been added to the amendment, AT&T Alascom intends to separate its pursuit of a definition of Dominance from the legislation re-authorizing the RCA. We continue to believe, however, that regulatory relief from Dominance is essential and must be dealt with as soon as possible. If a market is truly opened to competition, regulation should be decreased rather than increased. Under the current circumstances, we believe that our best course of action is to pursue the opening of a docket at the RCA that will deal exclusively with the issue of interexchange Dominance.

For these reasons, AT&T Alascom will support a clean bill with a 2-year reauthorization, which is the term recommended by legislative audit. The Commission's unwillingness to reduce regulation in competitive markets, however, must change. Until we are able to gauge the new Commission's ability and willingness to work toward reduced regulation in competitive markets, AT&T believes that a 3-4 year extension of the RCA is too long.

Thank you once again for this opportunity to present our testimony. I will be happy to answer any questions you may have.

Subject: HB111

Date: Wed, 14 May 2003 09:37:01 -0800

From: "Leder, Gary S." <GLeder@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

Dear Rep McGuire,

I am writing for your help in amending HB111 to offer fairness in Alaska's telecom market. As you know, ACS has been operating at a loss as a result of being forced by law to lease their facilities to their competitor at below cost. Most people can not fathom how this can happen in America, I am one of them. Competition should be fair and true, HB 111 was amended at one point to reflect fairness. I urge you to investigate the amendments and I believe you will agree that they are logical and fair, not to mention long overdue.

The easy thing to do would be to just extend RCA's life for four years and let them deal with this. The problem, however, is that the RCA is the root cause of the gross unfairness in the telecom industry that we see today. The right thing to do, is give the RCA an extended life only with new rules to operate under, as proposed in the amendments to HB111.

This is a very deep issue and I hope you will educate yourself on the details. Alaskans will be the winners if true and fair competition were to finally come to our state in the telecom industry. Thank you for your time.
Gary Leder Juneau

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Subject: HB 111

Date: Wed, 14 May 2003 10:08:05 -0800

From: ibewjno@ptialaska.net

To: Representative_Norman_Rokeberg@legis.state.ak.us,
Representative_Pete_Kott@legis.state.ak.us, Representative_John_Coghill@legis.state.ak.us,
Representative_Lesil_McGuire@legis.state.ak.us,
Representative_Carl_Morgan@legis.state.ak.us,
Representative_Ethan_Berkowitz@legis.state.ak.us,
Representative_Beth_Kerttula@legis.state.ak.us

Dear Rules Chair Rokeberg and Committee Members,

I write this letter to you all today asking for your support of HB111 with the amendment text added back into it that came from Labor and Commerce and was stripped out in House Finance. I am a lifelong Alaskan and Telecom worker for twenty four years in our State. I believe that it is now the time for our Legislature to extend our RCA's life, but more importantly to give it specific guidelines to make it act objectively and fairly to ensure competition in Alaska. These amendments will do just that. If competition is truly going to occur in Alaska these measures must be undertaken to make all competitors for markets and customers play by the same rules.

For too long now our APUC and the current RCA have placed unfair burdens on certain companies while favorably treating entrants into the original company's markets at the original company's expense. How can it possibly be fair for one company to have to build telecommunications infrastructure and lease it to a competitor for amounts that will not allow it to recover the cost of building? How can it be fair for the FCC to recommend accelerated depreciation rates for telecommunications companies and for our RCA to controvert that in their rulings here, thus slowing investment in new infrastructure and services? This is not fair and equitable treatment to all.

I believe that the Legislature is charged with the oversight of the RCA and needs to give it clear direction for the way competition is fairly carried out in Alaska. Again I ask that you support HB111 and add the amendments back into the Bill so that Alaskan consumers can enjoy the benefits of further investment in Alaska by companies providing state of the art services at reasonable prices. Thank you for your time and consideration.

Sincerely,
Mike Notar
124 Front St.
Juneau, AK 99801
(907) 586-3050

Please support House Bill No.111 with the current amendments.

Subject: Please support House Bill No.111 with the current amendments.

Date: Wed, 14 May 2003 12:39:03 -0800

From: gilbertc@acsalaska.net

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state

Please support House Bill No.111 with the current amendments.

Section 1. (1) Findings and Purpose. Says the Telecommunications Act of 1996 was enacted to foster the rapid deployment of advanced telecommunications, information technologies, and services Americans by promoting competition and reducing regulation in telecommunications nationwide.

ILEC like ACS have to share it's products and services with CLEC like GCI, this will not encourage companies like ACS to spend on capital projects and improve the rapid deployment of advanced telecommunications to serve Alaskans. This actually discourages companies like ACS to invest on NEW advanced technologies, ACS would have to share this NEW technology service with CLEC's like GCI, and they do not get any money on their return. Companies like GCI do not invest on any capital projects and improve the rapid deployment of advanced telecommunications to serve Alaskans, because they get for below cost with ILEC companies like ACS. Who ends up suffering? The public.

Ask GCI to be the carrier of last resort and they most likely with say they are not interested in that area. So the Carriers of last resort like ACS would be forced to deploy investment and then GCI comes back and wants to enter that area. Not a fair playing field.

Please vote for House Bill No.111with the current amendments.

My wife, my kids and myself thank you for doing this.

Thank you,

Gilbert Carrillo

8301 Majestic Dr

Anchorage AK 99504

Subject: Bill HB 111 With Amendments

Date: Wed, 14 May 2003 14:19:48 -0800

From: "Buttolph, Linda K." <LButtolp@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

You need to Approve Bill HB 111 with ALL AMENDMENTS! For Fair Competition, All Companies need to be on an equal playing field. I have been in the Telecommunications industry for over 21 years and have lived in Alaska for 31 years. I live in your district and request your Help to get this Bill Approved with the Amendments. I also work for ACS. If Bill HB 111 is approved without the Amendments, I feel ACS will not be able to continue Business. How can you find someone to Purchase a Company that can not turn a Profit, because your hands are tied. GCI will not be on the list to Purchase ACS, I can assure you.

The Agreement GCI is working under, was put in place when ATU was owned by the City of Anchorage. ATU did not need to show a Profit. ACS is a privately owned company, just like any other Business. If you did not show a Profit in your Own Business, you surely would not continue.

Competition to me is - Let all Companies place there own infrastructure.

NOW LET'S COMPETE

Sincerely

Linda Buttolph
2001 Shore Dr
Anchorage Alaska 99515

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Subject: HB111 must have amendments

Date: Wed, 14 May 2003 14:41:20 -0800

From: "Varness, Bob (Robert)" <Robert.Varness@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

My name is Bob Varness, I currently work for ACS in Juneau. I've worked Telecommunications in Alaska since 1976. Over the years I've traveled and worked in most all of the Southeast communities and some up North. In the past I've witnessed inefficient operations, procedures and practices that have given most communications monopolies the reputation they currently enjoy today. It's no secret, everyone loves to hate the telephone company. Moving beyond old thinking and beat up payphones, the industry changed a while back but some haven't really noticed. Competitors are still working the public for their not so fond memories and feelings of the past.

I'm proud to say since Alaska Communications Systems has purchased PTI, ATU and FMUS properties, I've seen positive change in all areas of the organizations. Our procedures and operational norms look quite different than a half decade ago. As part of our re-organization efforts, services we once gave away or what was included in the overall cost of doing business is not free anymore, so we must recover costs whenever we can due to reduced revenues from competition, but like all business, this is good business (you know, mean and lean) like everyone else we want to keep our rates competitive and give our customers a service of value. To accomplish these goals were required to charge most of our customers what it costs to do business, there are others we give a good deal to, because were required to do so by the RCA.

I don't understand why the RCA continues to subsidize CLEC's at the ILEC's expense, I don't think its fair to make one companies customers pay for another companies customers, is that realistic? that's happening today. Competition is a good thing, I'm all for it. Why are CLEC's not required to build out the Plant with the Universal Service Funds they receive. It's clear to me their not re-investing in the middle mile and all Alaskans telecommunications future is ultimately on the line. If the Alaskan lawmakers continue to let the RCA operate as they have been, I believe telecommunications in Alaska may suffer more than we all know. The old phone companies and the 900 lb. Gorilla attitude left Alaska 5 years ago, I don't think it's fair to stereotype the other new guy on the block.. ACS.

Thanks
Robert A.

Varness

3819

Killewich Drive

Juneau,

Alaska 99801

789.2433

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Subject: HB 111

Date: Thu, 15 May 2003 06:44:03 -0800

From: "Joni" <jonij@arctic.net>

To: <Representative_Lesil_McGuire@legis.state.ak.us>

Dear Ms. McGuire,

The RCA has consistently misinterpreted FCC regulations and manipulated them to bring about a slow death for competition in Alaska's Telephone Services and Internet Services market, as well as placing unfair burden on the Electrical Utilities in this great state. I can see subsidizing a new comers arrival in the market place for a year or two - but long term subsidies at the direct expense of the companies (now one) who spent decades and millions building the copper network that links Alaskans to each other, and to the outside world is not only unfair but should be brought to an end before there are over a thousand families with their bread winners in the unemployment lines!<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />

I have been employed by both Chugach Electric and ACS through my years in Alaska and have seen jobs lost and red ink flow across the ledger pages because of actions by the RCA that are in direct contradiction to the advisements of the FCC that were designed to keep competition healthy and thriving in the lower 48. If the RCA were fair and effective in the regulations they produce and enforce - Alaskans would have a CHOICE about who to buy their technology services from in even the most remote locations. As things stand today - ACS operates the existing network at a loss and can't possibly expand the network or invest in new technology because it is required to serve GCI customers before it's own and at a loss of millions of dollars each year as customers go to GCI so enjoy the preferential treatment by ACS. How can this be fair or "free enterprise"?

I ask you - please reconsider the amendments that have been stripped from House Bill 111 and do NOT approve this bill without adding those amendments. We do not need to give anyone an advantage - we just need to make the playing field LEVEL for everyone! That's what these amendments would do - just make it fair so hard working Alaskans can stay in Alaska to raise their children and watch future generations benefit from wise legislative action taken today.

Thank you for your time.

Joni Johnson

Eagle River Alaska

Subject: House Bill 111

Date: Thu, 15 May 2003 07:49:25 -0800

From: ibewjno@ptialaska.net

To: Representative_Lesil_McGuire@legis.state.ak.us,
Representative_Tom_Anderson@legis.state.ak.us,
Representative_Jim_Holm@legis.state.ak.us, Representative_Dan_Ogg@legis.state.ak.us,
Representative_Ralph_Samuels@legis.state.ak.us, Representative_Les_Gara@legis.state.ak.us,
Representative_Max_Gruenberg@legis.state.ak.us

Dear Judiciary Chair McGuire, Vice-Chair Anderson and Committee Members,

I ask myself what is the main purpose of a corporation or any business? I believe I already know the answer. It is to make money. A novel conclusion and I am impressed with my analytical powers. Then I ask myself again why a certain "competitive" telecommunications corporation in our State would be so concerned for consumers, and willing to spend big money on full-page ads, radio and TV spots, and have an unsuccessful gubernatorial candidate endorse their efforts. It is greed, and their own knowledge that they enjoy unfair advantages in the telecommunications market, coupled with them feeling threatened by the possibility that they may lose these unfair advantages. Another novel conclusion, and again I am impressed with myself for figuring out that all the ads are an attempt to deceive the public. I question how effective they've actually been, but then realize they have at least succeeded in fooling Arliss and AARP with their scary misinformation and Madison Avenue ads.

Then I apply my knowledge of the industry in our State through my own twenty-plus years of experience in it. Having gone through the scary and uncertain times of deregulation in the 1930's, I've now come to the conclusion that there are not any telecommunications monopolies in Alaska anymore. If competition is what was wanted, then now let it truly and fairly begin. The Legislature can extend and give the RCA guidelines in statute that will assure that one company is not favored over another, or have to provide its facilities to the other for under-market and non-recoverable costs. If the RCA is only extended, without the necessary amendments to achieve this, that may well serve to further foster the success of one company and continue the downward spiral of another, resulting in the loss of nearly one thousand good paying jobs across our State. That would be bad public policy in my mind. I urge you to vote HB111 out of your Committee with the amendments added back in that were eliminated in the House Finance Committee. Thank you for your consideration.

Sincerely,
Mike Notar
124 Front St.
Juneau, AK 99801
(907) 586-3050

Subject: HB 111

Date: Thu, 15 May 2003 08:29:30 -0800

From: "Diamond, Barbara" <barbara.diamond@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

Dear Representative McGuire:

I have worked in the Telecommunications industry for twenty years and I find myself in a situation where my company is not allowed to compete.... my job security, retirement, and my future are at stake. Please support HB 111 and all its critical amendments.

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). I encourage you to support HB 111 and all its critical amendments.

What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. I encourage you to support HB 111 and all its critical amendments.

Would ACS raise its Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

As a voter in your district, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all its critical amendments.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

Thank you

Sincerely

Barbara L. Diamond

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Subject: HB111 WITH AMENDMENTS

Date: Thu, 15 May 2003 08:37:55 -0800

From: "Rondeau, Jane" <jrondeau@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

I am currently an ACS employee with an insider view of the telecommunications industry within Alaska.

The competition between ACS and GCI is and has been controlled from the onset. Unlike the GCI commercial spin, it has never been a matter of letting freedom ring.

This restrained, deregulated environment has imposed regulations on ACS that are detrimental to its survival. First, ACS is forced to lease lines to its major competitor, GCI, below the cost of maintaining those lines. There is no incentive for ACS to enhance the infrastructure it's losing money on, and there is no incentive for GCI to get off the gravy train. Second, unlike GCI, ACS is restricted from bundling its products. What this means is that the consumer who calls GCI has the ability to make one phone call, speak to one person, and order numerous products. If placing that order at ACS, the call would be transferred from department to department. Last, the rate of phone line depreciation is slighted in GCI's favor even though the burden of maintaining those lines lies with ACS. Due to legal trappings, ACS has lost 50% of the Anchorage market share, and is steadily losing more. ACS can't continue to exist and provide the service that Alaska depends upon unless there is legislative relief. No company can.

What other company would buy into this losing proposition? Will the infrastructure eventually collapse, or be propped up by corporate welfare?

The option of ACS failing doesn't benefit Anchorage citizens or its politicians.

In order to counter the downward spiral of the Alaskan communications systems, I urge you to vote yes on HB111, with amendments.

Sincerely,
Jane Rondeau

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Subject: HB111 With Amendments

Date: Thu, 15 May 2003 08:39:50 -0800

From: "Ketchum, Judy" <JKETCHUM@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

I have worked here at Alaska Communications System for almost 17 years. I am really concerned that if we don't manage to make the competitive market more fair that ACS will eventually go down and many many layoffs will occur, possibly my job. I have invested a career in this business and am very concerned that is this HB111 with Amendments doesn't pass that what I have invested will be gone. The competition out there is not fair, our competitors can lease facilities cheaper than it costs us to maintain these, that makes it difficult to stay in business very long. In order to have fair competition out there we need to have the HB111 with Amendments to be passed as this will allow our competitors to lease at a price that will be fair in order to stay in business.

Having a government regulators setting all the rules does not do justice to competition, we need the market forces to do this to ensure that all competition is open and fair. Passing this House Bill with Amendments will allow ACS and GCI to complete in a fair business and allow ACS to be able to run our business in a very competitive fashion.

I urge you to please vote on passing this HB111 with Amendments in hopes that it will even out our competition and we can run a business with competitive prices on products, services. Thank you for your time, I will be following carefully and very attentively to what is happening with this HB as this may be my job or a retirement in the future depending on if it passes or not. I support the HB111 with Amendments and I hope I can count on you to pass the HB111 with Amendments so we can enjoy a fair competition market here in Anchorage.

Judy Ketchum
CABS Billing Specialist

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Subject: PLEASE SUPPORT HB 111 WITH AMMENDMENTS

Date: Thu, 15 May 2003 08:41:23 -0800

From: "Powell, Laura A." <lpowell@acsalaska.com>

To: "representative_Max_Gruenberg@legis.state.ak.us" <representative_Max_Gruenberg@legis.state.ak.us>
"Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>
"Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>,
"Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>,
"Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>,
"Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>
"Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>

Dear Honorable Representatives,

> My name is Laura Powell. I am a born and raised Alaskan. For most of my
> life I lived in Homer where there has always been only 1 phone company.
> So, I really want to see fair competition. I believe in it, as I feel it
> benefits the customer and it can also benefit the companies and our state
> to have fair competetion among companies.

>
> I work at ACS so it may seem that I am a little biased. But, I try to
> look at it from a laymans standpoint.

>
> If you can imagine having 2 small town bakers. One has a factory to
> manufacture the pie pans. They also have a full service bakery where they
> bake the pies with ingredients that they purchase. Baker B down the block
> doesn't have a factory or the ovens to make the pans or the pies. But the
> Baking commision tells Baker A that they must lease the pie pans to Baker
> B for less than what Baker A can make them for. But, not only must they
> lease them the pans, they must bake the pies and sell them to Baker B,
> below cost as well. Baker B sells the pies at a cheaper price than Baker
> A can and then when the pie pans get broken or dented they just have Baker
> A's factory repair them, at NO cost to Baker B.

>
> In this scenerio there is NO incentive for Baker B to buy their own
> factory or ovens. Why should they? They are getting a product at a cost
> that is cheaper than it would cost them to make the pies themselves.

>
> Where is the fairness? Where is the competition? Where is the
> regulation? Where is the monopoly? Where does that leave the customer
> when the "supplier" goes out of business and the re-seller doesn't own the
> equipment?

>
> This is a very simplistic way to look at the whole picture, I realize.
> This is how I would explain it to my children, who depend on me to keep my
> job. I am concerned that if HB111 passes without ammendments, that I may
> have to explain to my children why they can't have new clothes for
> school...And not only that, I will be explaining to my family who live in
> Homer, why another service provider in that town will be suffering because
> of "regulations." They already have lost out on other services that the
> rest of the state enjoys....

>
> I urge you to support HB111 WITH ammendments.

>
> It's the fair thing to do. It's the right thing to do, for the companies
> involved, for all the customers involved and for all Alaskans.
> Competition is a great tool, when it is used properly.

>
> Thank you for your time and consideration.

> *Laura Powell*
> *564-1466 work*
>
>
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>
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>

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Subject: I support HB 111

Date: Thu, 15 May 2003 08:43:33 -0800

From: "Johnson, Maydeen R." <maydeen.johnson@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

What the RCA has done to ACS is unfair.

The public is also being misled, misinformed & deceived by GCI & the media. ACS is a long time alaskan corporation, what are these fellow alaskans doing?

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Subject: HB111

Date: Thu, 15 May 2003 12:43:50 -0400

From: "Connie Maze" <cmaze@acsalaska.com>

To: "The Honorable Lesil L. McGuire" <Representative_Lesil_McGuire@legis.state.ak.us>

Connie Maze
1506 Wolverine Street
Anchorage, AK 99504

May 15, 2003

The Honorable Lesil L. McGuire
House of Representatives
Juneau, AK 99801-1182

Dear Representative McGuire:

I have worked in the Telecommunications industry for a relatively short time but decided to start a career in this field. Now I find myself in a situation where my job security and retirement, my future, is at stake because the company I work for is not allowed to compete. Please support HB111 and all its critical amendments.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their best deals because all the competing companies will be operating under the same set of rules, on a level playing field. For seven years GCI has been allowed to bundle together regulated and unregulated services, such as, local, long distance, Internet and Wireless. ACS has not been allowed to do so. ACS is required to subsidize GCI by lease rates that are a fraction of the true cost ACS incurs. Basically, ACS is forced to give GCI use of our company infrastructure, for the sake of competition, without being allowed to collect proper compensation for that use. This is not competition it's subsidy. Please support HB111 and all its critical amendments.

I have seen TV ads, heard radio ads, by politicians, paid for by GCI, stating that, ACS will raise its rates by \$100 million annually if HB111 is passed. This is ridiculous! That would drive our customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. GCI doesn't want to give up their free ride, that they have enjoyed far too long. If the concern is really competition, why has nothing been done to address the monopoly that GCI has in the cable industry.

As a voter, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB111 and all its critical amendments.

Sincerely,

Connie Maze

Subject: HB 111

Date: Thu, 15 May 2003 08:47:28 -0800

From: "Schimmeyer, Brent" <BSchimmeyer@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

hello my name is brent schimmeyer born and raised here in alaska and a constant voter. im just letting you know that i support the HB 111 with amendments and would like to see it go through. it would level the playing field in alaska and force GCI to pay there far share for using the network that ACS builds and maintains

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Subject: HB 111 Yes, support for Amendments

Date: Thu, 15 May 2003 08:52:15 -0800

From: "LeNorman, Stacy" <IMCEAEX-_O=ALASKA+20COMMUNICATIONS+20SYSTEMS+2C+2

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

With all due respect,
I support House Bill 111 as amended. I would hope you would support the bill as amended as well.

When this amended bill passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their 'best' deals because all the competing companies will be operating under the same set of rules on a level playing field.

Please support this amended bill. Thank you,

Stacy LeNorman
410 Kayak Drive
Anchorage, AK 99515
(907) 348-0101

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Subject: Support for HB111 WITH ALL AMENDMENTS

Date: Thu, 15 May 2003 08:56:30 -0800

From: "Dunham, Curtis L" <cdunham@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>, "Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>, "Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>, "Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>, "Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>, "Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.state.ak.us>, "Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>

I have worked in the Telecommunications industry for three years and I find myself in a situation where my company is not allowed to compete, because of unfair regulations by the RCA. My job security, retirement, and my children's future are at stake. Please support HB 111 and all its critical amendments. ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopoly company. If you look at GCI's balance sheet their biggest money loser is their local phone service. They simply drive up the cost of cable TV (over \$60 per month now) This subsidy drives down the service to Alaskans because there is no incentive to build or upgrade the infrastructure with lease rates that are a mere fraction of the true cost ACS has incurred. If HB 111 is passed with amendments ACS would raise its interconnection fees so that GCI was paying a fair rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field. As a voter in your district, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all its critical amendments.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

Curt Dunham
ACS 4-wire board
Private Line Apprentice
564-5960

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Subject: HB111 with all critical amendments attached

Date: Thu, 15 May 2003 08:57:06 -0800

From: "Bivins, Ellen" <ebivins@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

Dear Rep. McGuire,

I am an employee of Alaska Communications Systems and am writing you to ask that you support HB111 with all the critical amendments attached. As an employee of ACS, I have become more aware of the unfair competition between ACS and their competitors, specifically GCI. I have had a growing concern over this, and compare it to my purchasing my groceries at Carr's (representative of ACS), and paying for them at Fred Meyers (representative of the competition).

I understand the reasons initially for the "subsidized" competition that the U.S. Government set up after breaking up Bell Telephone, however, in Alaska we have a pretty even split of customers between GCI and ACS, with ACS footing the entire expense for plant in the ground, subsidizing GCI for the use of our lines, which they charge their customers, and it is pure profit for them.

I have concerns regarding the continued financial health of the company I work for, and have concerns that the layoffs we have experienced to date will continue, if we do not see changes. I am asking that you support open and fair competition, ensure that we are able to lease our facilities at the real cost of those facilities, removing the unfair competition that currently exists in our state. If the bill passes without the critical amendments attached, it will be business as usual in the telecommunications industry in Alaska, and I fear the health of the company I work for will continue to plummet, and layoffs will increase. The employees of this company only want what is fair, and that is to have HB111 pass with all critical amendments attached.

Thank you for your time.

Ellen Bivins
Sr. Clerical Specialist
Field Services, Central District
564-1112 fax 563-0662
MS#18

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Subject: HB111 with all the amendments

Date: Thu, 15 May 2003 09:01:27 -0800

From: "Naylor, Alisha L." <anaylor@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>

I am a proud employee of Alaska Communications Systems and am writing you to ask that you support HB111 with all the amendments attached. As an employee of ACS, I have become more aware of the unfair competition between ACS and their competitors, specifically GCI. I have had a growing concern over this, and compare it to my purchasing my groceries at Carr's (representative of ACS), and paying for them at Fred Meyers (representative of the competition).

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). I encourage you to support HB 111 and all its critical amendments.

What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. I encourage you to support HB 111 and all its critical amendments.

Would ACS raise its Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

As a voter in your district, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all its critical amendments.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

Alisha Naylor
564-1640
ACS Marketing

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Subject: Fwd: RCA

Date: Thu, 15 May 2003 09:02:35 -0800

From: "Matthew Callahan" <matthewjcallahan@hotmail.com>

To: Representative_Lesil_McGuire@legis.state.ak.us

Hello, please do everything within your power to eliminate the unfair and unbalanced special treatments that GCI has been receiving from the RCA. *All communications service providers should receive equal treatment.* Under the guise of competition, GCI has persuaded the RCA to require other companies to sell them their services *at below costs* so that GCI can then resell it to customers. This severely undercuts these companies' ability to operate in the black. Fair competition is great, but subsidizing one company at the expense of others is not only absurd, it is punitive, unfair, and restrictive to those companies and the customers they service. It is hindering new technological development and improvements because it is artificially removing profit/investment dollars from one company and shifting them to GCI. Please consider carefully all the facts when you make your votes on this issue. *Please pass HB-111 with all critical amendments.* Thank you, Matthew Callahan

Protect your PC - [Click here](#) for McAfee.com VirusScan Online

Subject: HB 111

Date: Thu, 15 May 2003 09:05:26 -0800

From: "Nutting, Madeline M." <MNutting@acsalaska.com>

To: ""Representative_Lesil_McGuire@legis.state.ak.us"" <Representative_Lesil_McGuire@legis.state.ak.us>, ""Representative_Dan_Ogg@legis.state.ak.us"" <Representative_Dan_Ogg@legis.state.ak.us>, ""Representative_Jim_Holm@legis.state.ak.us"" <Representative_Jim_Holm@legis.state.ak.us>, ""Representative_Ralph_Samuels@legis.state.ak.us"" <Representative_Ralph_Samuels@legis.state.ak.us>, ""Representative_Les_Gara@legis.state.ak.us"" <Representative_Les_Gara@legis.state.ak.us>, ""Representative_Max_Gruenberg@legis.state.ak.us"" <Representative_Max_Gruenberg@legis.state.ak.us>

Dear Fellow Alaskans,

I am very concerned with the House Bill 111. I am a proud ACS employee since 1999. I am hoping the HB111 passes with the amendments to level the playing field with the GCI competition. I have a long history of customer service in retail sales and in that environment there was competition daily, which is a given, but the vendors we dealt with gave purchasers similar costs/savings on the same product. However if there isn't "Fair competition", a company can suffer terribly! Won't you please allow this House Bill 111 to pass with all the amendments, so ACS can have a FAIR Chance at competition and not suffer any longer with having to lease facilities to GCI below ACS' cost?

I thank you for your attention to this matter!

Madeline Nutting
Customer Service Representative
459-6158

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Subject: HB 111

Date: Thu, 15 May 2003 09:05:35 -0800

From: "Lesbo, Pam" <plesbo@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

Hello,

I have worked in the Telecommunications industry for many years and I find myself in a situation where my company is not allowed to compete...my job security, my retirement and my future is at stake. Please, please support HB 111 and all it's critical amendments.

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly - GCI - has been able to do this for over seven years). I encourage you to support HB 111 and all it's critical amendments.

What we have witnessed through full-page ads, radio spots, Internet sites and political maneuvering is an attempt to maintain a structure which requires ACS to subsidize it's chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. I encourage you to support HB 111 and all it's critical amendments.

Would ACS raise it's Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise it's interconnection fees so that GCI way paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

As a voter, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all it's critical amendments.

Forcing ACS to subsidize it's competitors is not competition. Please vote to support HB 111 and all it's critical amendments.

Thank you,

Pam Lesbo
ACS/End User Billing
564-1713
plesbo@acsalaska.com

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Subject: HB 111

Date: Thu, 15 May 2003 09:06:42 -0800

From: "Larsen, Robert" <rlarsen@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat
"Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.sta
"Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>,
"Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>,
"Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.sta
"Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>,
"Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.s

I have lived in Alaska since 1968, when my Father was transferred with Continental Telephone to Manage all Continental properties in the state. His name was Ken Larsen and he was a powerful figure in the communication industry in his day. When he arrived in Alaska the communication industry was in a mess. 14 party lines were not uncommon and prices were out of control. Antiquated equipment dominated the market and one was lucky to be able to call "outside" and talk to friends and family. My Father died last month and left behind his legacy of building one of the most sophisticated networks in the world. But he too, died concerned about the state of the communications industry in Alaska. For too long GCI has been getting away with grand theft. They don't pay for any of the infrastructure yet capitalize on its placement. My Father believed in competition but knew that the word Competition to GCI was merely a marketing ploy. My Father was never afraid of a good fight but only if it was a level playing field. He would be writing to you today and asking for you to support HB 111 WITH AMENDMENTS and put all the Utilities on a level playing field if he were still alive. I am writing for him today, no doubt from heaven, and asking that you please bring real competition to Alaska and pass this bill with amendments. I thank you in advance for your time. Bob Larsen

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Subject: [Fwd: HB111 PLEASE VOTE FOR THE AMENDMENTS]

Date: Thu, 15 May 2003 09:13:18 -0800

From: Sue Gullufsen <Sue_Gullufsen@legis.state.ak.us>

Organization: Alaska State Legislature

To: Representative Lesil McGuire <Representative_Lesil_McGuire@legis.state.ak.us>

Subject: HB111 PLEASE VOTE FOR THE AMENDMENTS

Date: Thu, 15 May 2003 08:57:30 -0800

From: "Blair, Betsy" <bblair@acsalaska.com>

To: "webmaster@legis.state.ak.us" <webmaster@legis.state.ak.us>

Dear Lesil McGuire,

I implore you to really listen to the honest people that work at ACS and Chugach Electric and other utilities. I have lived here in Anchorage for 36 years. I am still raising my family of 3 children and not only need to keep my job, but more importantly, the city of Anchorage needs the city to have honest and fair people to run the Regulatory Commission. And as it stands, we are losing money because it cost a lot more to make and keep the telephone lines than we are being paid. We are no longer the monopoly. Those rules were put in place when everything was deregulated. It was the beginning of a new time and new rules. Things have changed drastically. It is time to level the playing field. And make the rules even for all companies, Equal in competition. That's all we ask. FAIRNESS, HONESTY, AND INTEGRITY. Please Senator, vote FOR THE AMENDMENT.. We are not special interest. We are being hurt and companies are able to use the extra monies to hurt us more.. There are a lot of people that work in these utilities and we need our jobs just like every one else.. We are not asking for more than we deserve. Fairness is what it is all about.. Thank you so much for your time and attention. I did see you on the news today. I was impressed. I can see you do believe and work hard to make things right, and fair.. I surely appreciate you for daring to believe in WHATS RIGHT. It takes a lot of courage and conviction..

Appreciative and Sincerely
Betsy Blair

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Sue Gullufsen Manager Legislative Information & Teleconferencing Legislative Affairs Agency
--

Subject: Please support the HB 111 with ALL amendments

Date: Thu, 15 May 2003 09:21:23 -0800

From: "Reid, Susie" <sreid2@acsalaska.com>

To: "'Representative_Jim_Holm@legis.state.ak.us'" <Representative_Jim_Holm@legis.state.ak.us>, "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.state.ak.us>, "'Representative_Dan_Ogg@legis.state.ak.us'" <Representative_Dan_Ogg@legis.state.ak.us>, "'Representative_Ralph_Samuels@legis.state.ak.us'" <Representative_Ralph_Samuels@legis.state.ak.us>, "'Representative_Les_Gara@legis.state.ak.us'" <Representative_Les_Gara@legis.state.ak.us>, "'Representative_Tom_Anderson@legis.state.ak.us'" <Representative_Tom_Anderson@legis.state.ak.us>, "'Representative_Max_Gruenberg@legis.state.ak.us'" <Representative_Max_Gruenberg@legis.state.ak.us>

> The bread and butter of Telecommunications Companies is the front line-
> Customer Service.
>
>
>
> I am a former customer service representative and outside sales
> representative for GCI. My years at GCI were successful. I have a high
> respect for the company and especially for CEO Mr. Ron Duncan.
>
> In 2000 I was offered a position at ACS and accepted. With my experience
> at GCI I have been profoundly horrified in witnessing the relentless ways
> in which GCI has been allowed to operate so unfairly against ACS. My job
> at ACS allows me to witness first hand the GCI accounts that have
> accumulated at a rate that ACS has no chance of any fairness. I have
> emailed and spoken to countless individuals about my findings for over two
> years, regardless of my fears for ACS the accounts for GCI continue to
> build at a phenomenal rate.
>
> I have voiced my most favorable solution for ACS and have expressed it's
> urgency without any success. I am not about to let this company collapse
> without trying every avenue to have competitive fairness finally be
> delivered to ACS.
>
> Having worked at GCI on the front line, customer service, I learned first
> hand of the importance of giving excellent customer service. At GCI I
> heard over and over again from happy customers calling in of how wonderful
> it was to make one call or get one visit and being taken care of by one
> customer service representative. At the time GCI was open on the phones
> 24 hours a day, seven days a week. At GCI when a customer called in I
> could offer and sell all the GCI products which included cable/digital
> television, local and long distance phone service, internet service/ cable
> modem installation, phone cards, cell phone service and promotions. It
> was a customers delight to have all their questions answered with one
> representative and not having to wait lengthy hold times to be transferred
> from one department to another for each and every product, as is the case
> at ACS. ACS is not allowed, by law, to delight and satisfy the Anchorage
> consumers as GCI does and does with devastating consequences to ACS.
> Bottom line is: The laws need to change. The laws need to include ACS and
> AT&T. The laws need to become what is ethical and enhances the true
> meaning of Fair Competition. GCI is the first company in the United
> States to have created such a successful way of selling
> telecommunications. The ability for GCI to do so while ACS is forced to
> operate as the "old school".. one product, one representative, another
> transfer to another department for a second ACS product, and then a third
> and maybe a forth transfer for a higher monthly fee than GCI is due to the
> result of the current laws. GCI's extravagant advantages in the customer
> service arena and it's results is, in one word, criminal. The current
> laws have lifted GCI as the monopoly, forcing ACS to fail. This will soon
> lead to the devastation of hundreds of employees and their families.

Please support the HB 111 with ALL amendments

>
> There are so many issues like, cost for maintenance and so on that are
> hurting ACS. I want to focus on what I know first hand that leads GCI to
> success. GCI's customer service is a powerful telecommunications wheel
> that rolls thousands and thousands of ACS customers into their web of
> more affordable products. The products are more affordable because ACS is
> forced by law to have higher rates than GCI. The powerful tool of cross
> selling several products by one customer service representative is a
> consumers dream come true and ACS's nightmare of seeing the results of
> unfair competition.

>

>

> Please allow competition to begin at ACS's front line, change the laws
> that are leading to the collapse of ACS, a company that strives for
> competitive fairness for Alaska.

>

Please Support the HB 111 with ALL amendments.

>

> Susie Reid 907-564-1750
> Alaska Communications Systems
> Revenue Requirements

>

>

>

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Subject: PLEASE SUPPORT HB111 WITH AMENDMENTS!!!!

Date: Thu, 15 May 2003 09:25:52 -0800

From: "Sipin, Annabelle" <ASipin@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>, "Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>, "Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>, "Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>, "Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>, "Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>, "Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.state.ak.us>

As a member of the telecommunications industry workforce, I respectfully and strongly encourage you to support HB111 WITH ALL ITS CRITICAL AMENDMENTS. This will allow Alaskan telecommunications consumers the "best" deals because competing companies will be operating under the same set of rules on a level playing field.

Thank you.

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Subject: Support HB 111 "with amendments"

Date: Thu, 15 May 2003 09:28:21 -0800

From: "Newlun, Amy S" <ANewlun@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I am in support of house bill HB 111 "with amendments". Please vote accordingly. Thank you and I hope to continue to support you in the future.

Amy Newlun

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Subject: HB 111

Date: Thu, 15 May 2003 13:29:53 -0400

From: "David Kelly" <dgkelly@att.net>

To: "The Honorable Lesil L. McGuire" <Representative_Lesil_McGuire@legis.state.ak.us>

David Kelly
3761 Chiniak Bay Drive
Anchorage, AK 99515

May 15, 2003

The Honorable Lesil L. McGuire
House of Representatives
Juneau, AK 99801-1182

Dear Representative McGuire:

My wife Catly, my son Paul and I all support the passage of HB 0111. We feel it is long overdue. Please push for it's passage.

Thank You,

David Kelly

Sincerely,

David Kelly

Subject: FOR all Amendments Bill Hb 111

Date: Thu, 15 May 2003 09:29:57 -0800

From: "Muller, Richard T." <rmuller@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>, "Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>, "Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>, "Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>, "Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>, "Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>, "Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.state.ak.us>

CC: "upuha54@ptialaska.net" <upuha54@ptialaska.net>, "richard.muller@acsalaska.net" <richard.muller@acsalaska.net>

My name is Richard Muller. I have lived in Alaska all my life. I worked in the Telecommunications field for about 7 years now, three years with ACS.

This bill affects my lively hood along with over a thousand other Alaskans. I don't believe the regulations that are in place now are fair and equitable. ACS has lost 50% of the market place in Anchorage. If regulations don't change too even out the playing field so either player has an advantage, there are going to be a lot of people with out jobs and we are going to be back to a monopoly. ACS's hands are tied. Our competitor has the upper hand. It would be like if you owned a piece of commercial property and the mortgage was \$3200.00 per mo. Then the government stepped in and ordered you to lease it out at \$2500.00 per month. This is simple economics. You are not going to be in business very long.

If you would go to: <http://biz.yahoo.com/e/1/g/gncma.html>. I am sure you are aware that GCI has raised their cable rates to subsidize their local access.

I remember when there were two newspapers in Anchorage. The price of a newspaper was \$.25. Placing newspaper ads was inexpensive. Right after the Times folded the price of the newspapers and ads double due to no competition.

This last Gubernatorial race we were all lied to. Our new Governor told us exactly what we wanted to hear so he would be elected. In the next election I will not be voting for him or his daughter. What he did was wrong. I believe that GCI is on their way to monopolizing the telephone-datacommunications market in Alaska. They are plastering the media with negative ad campaigns. People are being led with a carrot in front of their faces and are not seeing the whole picture. They are being fattened up for the kill. What do you think will happen to the economy in Anchorage with out those jobs? There will be a lot less expendable monies. Businesses will suffer. Real estate will suffer. The economy in Anchorage will come to a grinding halt.

I believe in my Democratic right to vote. I didn't realize how important voting is until I was in my mid 20's. Since then I have not missed voting at an election. I would appreciate your attention and support

Richard Muller
ACS
Voter ID 07361497
Private Line Testing Facilities
264-5960

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Subject: I support House Bill 111 WITH AMENDMENTS

Date: Thu, 15 May 2003 09:31:13 -0800

From: "Revilla,Richard" <rrevilla@acsalaska.com>

**To: Comm member <Representative_Dan_Ogg@legis.state.ak.us>,
Comm member <Representative_Jim_Holm@legis.state.ak.us>,
Comm member <Representative_Ralph_Samuels@legis.state.ak.us>,
Comm member <Representative_Les_Gara@legis.state.ak.us>,
Comm member <Representative_Max_Gruenberg@legis.state.ak.us>,
Comm member <Representative_Tom_Anderson@legis.state.ak.us>,
"Comm member (E-mail)" <Representative_Lesil_McGuire@legis.state.ak.us>**

Committee members,

As a registered voter in Alaska, I urgently petition you to support HB111 with ALL amendments. The regulated environment that exists now has NOT succeeded in creating a fair and level playing field for the respective companies involved. Currently, due to the clear advantage GCI has in this regulated environment, there is no incentive for ACS to introduce and install the latest telecommunication technology available since they would only be supporting the competitions customers. Everybody loses because of this. Let us also not forget that GCI already has monopolized the cable market and is seeking to do the same in the telephone market. This country and this state has always prided itself on being the Land of Equal Opportunity and I feel that to pass HB111 without all of the critical amendments is to not support what this country and state are all about.

Thank you

Richard J. Revilla

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Subject: SUPPORT HB 111 AND ALL ITS CRITICAL AMENDMENTS

Date: Thu, 15 May 2003 09:33:46 -0800

From: "Erickson, Becky" <BERICKSO@acsalaska.com>

To: "representative_lesil_mcguire@legis.state.ak.us" <representative_lesil_mcguire@legis.state.ak.us>
"representative_tom_anderson@legis.state.ak.us" <representative_tom_anderson@legis.state.ak.us>
"representative_dan_ogg@legis.state.ak.us" <representative_dan_ogg@legis.state.ak.us>
"representative_jim_holm@legis.state.ak.us" <representative_jim_holm@legis.state.ak.us>
"representative_ralph_samuels@legis.state.ak.us" <representative_ralph_samuels@legis.state.ak.us>
"representative_les_gara@legis.state.ak.us" <representative_les_gara@legis.state.ak.us>
"representative_max_gruenberg@legis.state.ak.us" <representative_max_gruenberg@legis.state.ak.us>

As a voter, worker, family person in the State Of Alaska, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please Support HB 111 and all its critical amendments.

I have been employed in telecommunications since 1985 (ATU that is now ACS). It is embarrassing to arrive at a GCI customers establishment to install new service or to fix a phone problem and the customer chastises you for being a ACS employee. We explain the situation that ACS owns the service lines and does all the repairs for the lines GCI leases.

If GCI had to design, build and maintain their own property then and only then would Alaskan telecommunications consumers have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

Forcing ACS to subsidize its competitors is not competition. Please support HB 111 and all its critical amendments.

Becky Erickson
ACS OSP Construction & Splicing
564-1056 office
244-0173 cellular

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Subject: HB111 with all critical amendments attached

Date: Thu, 15 May 2003 09:35:59 -0800

From: bivins@acsalaska.net

To: Representative_Max_Gruenberg@legis.state.ak.us,
Representative_Les_Gara@legis.state.ak.us, Representative_Ralph_Samuels@legis.state.ak.us,
Representative_Jim_Holm@legis.state.ak.us, Representative_Dan_Ogg@legis.state.ak.us,
Representative_Tom_Anderson@legis.state.ak.us,
Representative_Lesil_McGuire@legis.state.ak.us

Dear Representatives,

My wife is an employee of Alaska Communications Systems and I am writing you to ask that you support HB111 with all the critical amendments attached. We have become more aware of the unfair and double standard competition between ACS and their competitors, specifically GCI.

I understand the reasons initially for the "subsidized" competition that the U.S. Government set up after breaking up Bell Telephone, however, in Alaska the competition is stiff between GCI and ACS, and because ACS is unable to compete fairly and evenly, we have been unable to provide the kind of service our competitors are allowed to provide. ACS is currently unable to bundle service as their competitor is able to do. The current split of customers is around 50%, and ACS is required to subsidize GCI with the use of their facilities at a reduced price.

I have concerns regarding the continued financial health of the company my wife work for, and have concerns that the layoffs that the company has experienced to date will continue, if we do not see changes. I am asking that you support open and fair competition, ensure that ACS is able to lease their facilities at the real cost of those facilities, removing the unfair competition that currently exists in our state. If the bill passes without the critical amendments attached, it will be business as usual in the telecommunications industry in Alaska, and I fear the health of the company my wife works for will continue to plummet, and layoffs will increase. Our family and the employees of this company only want what is fair, and that is to have HB111 pass with all critical amendments attached.

Thank you for your time.

Gary Bivins

Subject: PLEASE SUPPORT BILL HB 111

Date: Thu, 15 May 2003 09:37:16 -0800

From: "Hall, Beverly O." <BHall@acsalaska.com>

To: ""Representative_Lesil_McGuire@legis.state.ak.us"" <Representative_Lesil_McGuire@legis.stat

I have worked for ACS & previous owners for 26 years now. Because my company-ACS is not allowed to compete .. my job and retirement are at stake.

I support bill HB 111 and all its critical amendments .& i ask for your support to get this bill passed .Acs should be allowed to compete by the same rules as our competior-GCI . We should be allowed to bundle together regulated & unregulated services as local service, long distance , internet & wireless, which GCI has been doing for over seven years. they have the monolpy on cable ..

I ask that you SUPPORT HB 111 AND ALL ITS CRITICAL AMENDMENTS , IT IS SO IMPORTANT TO THE FUTURE OF ACS . We are the most highly skilled workforce in the state and we can compete with anyone, if we are given a fair playing field.

PLEASE, PLEASE SUPPORT HB 111 & ALL ITS CRITICAL AMENDMENTS
THANK YOU
Beverly Hall

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Give us a chance! Make it fair... I support HB111 and all its amendments!

Subject: Give us a chance! Make it fair... I support HB111 and all its amendments!

Date: Thu, 15 May 2003 09:37:27 -0800

From: "Estep, Pamela" <pestep@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

How about letting ACS develop a cable television customer base and lease GCI equipment for pennies, which would enable us to provide ACS cable television service to OUR customers at a much lower cost of service than GCI could provide? Do you think GCI could stay in the cable business if they had to foot the bill to maintain all the equipment necessary to provide service to their customers AND ours? This is exactly the scenario in regard to the telecom side of our relationship with GCI. They lease our equipment for pennies, which enables them charge their customers less which, of course, brings them more customers for less money!

Pam Estep
ACS Payroll
907.564.1552

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Subject: HB 111

Date: Thu, 15 May 2003 09:37:33 -0800

From: "Wilke, Patrick" <Pat.Wilke@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

Dear Representative Lesil McGuire

I have worked in the Telecommunications industry for many years and I find myself in a situation where my company is not allowed to compete... my job security, retirement, and my children's future are at stake. Please support HB 111 and all its critical amendments.

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). I encourage you to support HB 111 and all its critical amendments.

What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. I encourage you to support HB 111 and all its critical amendments.

Would ACS raise its Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

As a voter in your district, I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all its critical amendments.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

Patrick Wilke

Engineer

ACS Wireless & Messaging

600 Telephone Ave. MS#28

Anchorage, Ak 99503

pat.wilke@acsalaska.com

Ofc: 907.564.8012

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Subject: HB111 With Amendments

Date: Thu, 15 May 2003 09:38:12 -0800

From: "Ketchum, Judy" <JKETCHUM@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>
"Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>
"Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>,
"Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>,
"Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>
"Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>,
"Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.state.ak.us>

I have worked here at Alaska Communications Systems for 17 years. I have seen several changes take place in the telecommunications field. I find myself in a situation where my company isn't allowed to compete in a fair market and that my job, retirement, and children's future are at stake. I am hoping that I can get your support on HB111 with the critical amendments to ensure that we have a fair competitive market in telecommunication to work with now. It is imperative that this HB111 with the amendments passes to keep competition out there in the market fair for everyone.

ACS is NOT going to raise rates to the Local or Business Customers as such action like this would cause our customers to go to the competition where there is a more reasonable rate. This passing HB111 with the Amendments will help us to raise the interconnection fees so that GCI or any other competitor out in the market would pay compensatory rates for the use of the ACS Network. I feel like this would keep the competition in the playing field and not allow it to get so one sided. Forcing ACS to subsidize its competitors is not competition.

If you support and pass the HB111 with all the critical amendments attached it, it will finally allow ACS to bundle some of the packages as GCI does now, to allow our customers that are loyal to us and new customers that we obtain, to be able to receive special package offers. We can give them the same service that GCI has been able to give for the last seven years.

As a voter in your district, I hope to encourage you to represent my family and myself as you are casting your vote on the HB111 with the amendments.

Please Support HB111 And Its Critical Amendments

Judy Ketchum
CABS Billing Specialist

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Subject: HB111

Date: Thu, 15 May 2003 09:38:45 -0800

From: "Dicaprio, Wendy" <WDICAPRI@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.state.ak.us>

Please support this bill with all its critical amendments. I have worked in telecommunications industry for 28 years and firmly believe that ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years).

What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred.

GCI is constantly complaining that these amendments will cause telephone rates to skyrocket. They are the ones who might have to raise rates when they have to start paying ACS a fair price for the facilities they are using.

When House Bill 111 (as amended) passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

Sincerely,
Wendy DiCaprio

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Subject: HB111

Date: Thu, 15 May 2003 09:42:10 -0800

From: "Urias, Richard G." <RUrias@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

Dear Representative McGuire

I am a 32 year resident and voter from Sitka. I am married and have 5 children, 4 of whom were born and raised in Sitka. I am also a 27 year employee of the local telephone company ACS. The passage of HB 111 without the critical amendments will continue to cripple the company I work for in the competitive telephone market. Although Sitka and most other communities in Southeast have not been affected by the introduction of competition in the local phone market I have seen first hand how it has affected the building and maintaining of the infrastructure critical to providing the quality and state of the art phone service that our state enjoys. The loss of revenue from services that are given to our competition at rates that are far below what it costs for us to maintain is not what competition is all about. If the RCA is to continue along its present course I fear for the jobs of my co-workers both here in Sitka and all over the state of Alaska. Again I urge you to support HB111 and critical amendments attached so that the incumbent local service provider can be free to compete in the telephone market. ACS must be able to market its products without the regulatory confines that are not placed on our competition.

Thanks for your time.

Sincerely

Richard Urias

511 Verstovia

Sitka, Alaska 99835

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Subject: Please support HB111 with amendments, here why:

Date: Thu, 15 May 2003 09:42:25 -0800

From: "Anderson, N. (Keith)" <keith.anderson@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat
"'Representative_Tom_Anderson@legis.state.ak.us'" <Representative_Tom_Anderson@legis.sta
"'Representative_Dan_Ogg@legis.state.ak.us'" <Representative_Dan_Ogg@legis.state.ak.us>,
"'Representative_Jim_Holm@legis.state.ak.us'" <Representative_Jim_Holm@legis.state.ak.us>,
"'Representative_Ralph_Samuels@legis.state.ak.us'" <Representative_Ralph_Samuels@legis.sta
"'Representative_Les_Gara@legis.state.ak.us'" <Representative_Les_Gara@legis.state.ak.us>,
"'Representative_Max_Gruenberg@legis.state.ak.us'" <Representative_Max_Gruenberg@legis.st

Dear Honored House Judiciary Committee members:

I'll admit I don't usually take the time to write or contact you when an issue sparks controversy or indirectly affects me so it's with a sense of shameless self-preservation that I write to you today. To start with, I'm an ACS employee represented by the IBEW so I'm used to the ground being shaky with all the buyouts and cutbacks the company has gone through over the last 5 years. I started with MUS in Fairbanks, then it became PTI, then Centurytel and then of course, ACS which really amounted to a merger with ATU. With each change in ownership, management and corporate culture, there was plenty of uncertainty concerning my job and my future but it pales in comparison to the uncertainty we employees of ACS now face if HB111 passes without the amendments which apply to fair competition in the Alaska telecommunications market. ACS is being forced to subsidize GCI by having to lease our network to them below cost and that is driving this company toward bankruptcy. When they take out full page ads saying we want the bill to pass so that we can raise the rates, how many customers do think we'd keep? We only want to be able to raise the rate of the lines we lease to GCI or other CLECs to offset the cost it takes to maintain and improve upon the network we have. If it gets worse, and it will if this bill as amended does not go through, we may be looking at another round of layoffs affecting a significant number of Alaskan families (there's about 1150 of us at this point.) If ACS does go to bankruptcy, that puts the union in jeopardy as well. All labor contracts could go to renegotiation or be thrown out the window completely. As HB111 and the amendments we need to survive come across your desk for consideration please think about the effects this vital piece of legislation will have on the lives, jobs and livelihood of your constituency. I'm all for competition, ACS is even on the record requesting it when we had a majority of the market, it just seems that the cost of doing business should be taken into consideration when the RCA or APUC tells us what the rates have to be. As it is now, the set pricing is not a fair price in ACS employees will have to bear that cost in loss of jobs, income and whatever comes with that. Let's say ACS has a lemonade stand: ACS has built the counter and bought sugar, lemons, cups and even ice. Let's say the total outlay was \$5 and we can make 5 gallons so it costs \$1 a gallon total. We sell our lemonade for 25 cents a cup. Along comes GCI and they set up a stand nearby and they get the Lemonade Commission to say that ACS has to sell lemons, cups and ice to GCI at a cut rate price so that they too can compete in the lemonade market because apparently, ACS has all the sugar, lemons, cups and ice. So ACS has to sell our materials to GCI for say \$2.00 then that leave ACS with \$3.00 worth of materials and we're left to compete with GCI and this arrangement while they sell their lemonade for 15 cents a cup. So, we're left with a situation where GCI is both getting their lemonade supplies for way under cost so this gives them low enough overhead to charge less for their lemonade thus swaying customers that don't want to pay 25 cents when they could pay 15 cents so at every step in this process, ACS is making less and less money and it's to the point where ACS can't afford sugar, lemons and cups anymore. Does this really make sense? I just want to conclude by asking that you rate this situation in your mind on scale of fairness from 1 to 10. If it's fair by all means, give it a 10 and vote HB111 as is. If you can see any part of this scenario that places an iota of

Please support HB111 with amendments, here why:

doubt that the playing field is level and all is fair in the lemonade market of Alaska then rating a 9 or below should prompt you to vote your conscience and allow HB111 to be amended to provide fair competition in the telecommunications market of Alaska. Otherwise the moral to this story will be "when life gives you lemons, you can't always make lemonade, you have to sell them to another guy so he can make lemonade cheaper than you and put you out of business." Don't let this happen. The futures of too many telecommunication industry workers are in your hands in this matter as well as the integrity of the network and services we help maintain and provide to our communities will dwindle and the negative impact on Alaska's already-enfeebled economy will be felt. I appreciate you taking the time to read this and weigh the fairness of HB111 as written versus the amendments that will allow the industry to grow and allow mutual co-existence between the competing companies and a choice for consumers without giving one company such an over-whelming advantage over the other. Please vote for HB111 with proposed amendments.

Thank you,

N. Keith Anderson

PC Support Technician at ACS

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Subject: HB 111

Date: Thu, 15 May 2003 13:45:24 -0400 (EDT)

From: "Pat McGraw" <p.mcgraw@excite.com>

I have worked in Communications my whole life. I find my job security threatened by the unfair competition of GCI. ACS should not be required to subsidize its competition. This truly discourages growth and investment in new technologies. In the last few years I have seen this first hand. If we truly want Alaska to have the best of the new technologies it will take investing in the future. It cannot be done when there is no margin for profit. Please support HB 111 and ALL the critical amendments.

Sincerely,
Neil P. McGraw

Join Excite! - <http://www.excite.com>
The most personalized portal on the Web!

Subject: HB111

Date: Thu, 15 May 2003 09:46:03 -0800

From: "Jackie Endsley" <jendsley@Ibew1547.org>

To: <Representative_Lesil_McGuire@legis.state.ak.us>,
<Representative_Tom_Anderson@legis.state.ak.us>,
<Representative_Dan_Ogg@legis.state.ak.us>, <Representative_Jim_Holm@legis.state.ak.us>,
<Representative_Ralph_Samuels@legis.state.ak.us>,
<Representative_Les_Gara@legis.state.ak.us>,
<Representative_Max_Gruenberg@legis.state.ak.us>

To the Legislature,

I am in favor of House Bill 111 WITH AMENDMENTS. I truly believe there is NOT a level playing field in regard to the competition between ACS and GCI and I believe this bill help to alleviate this problem.

Jackie Endsley
18028 Sanctuary Drive
Eagle River, AK 99577
(907) 694-9109 home
(907) 777-7257 work

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Subject: Please support HB111 and amendments.

Date: Thu, 15 May 2003 09:47:45 -0800

From: "Hollenbeck, Steve" <SHollenb@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.state.ak.us>, "'Representative_Dan_Ogg@legis.state.ak.us'" <Representative_Dan_Ogg@legis.state.ak.us>, "'Representative_Ralph_Samuels@legis.state.ak.us'" <Representative_Ralph_Samuels@legis.state.ak.us>, "'Representative_Les_Gara@legis.state.ak.us'" <Representative_Les_Gara@legis.state.ak.us>, "'Representative_Max_Gruenberg@legis.state.ak.us'" <Representative_Max_Gruenberg@legis.state.ak.us>

>

>

> Dear Sir:

> The RCA has unfairly given every advantage it can to GCI and that is
> breaking the back of ACS. I am sure every consumer could care less if ACS
> goes broke just as long as they get cheap dial tone. ACS work force has
> been reduced from around 2000 employees in 1988 to 1125 today and that is
> still not enough for ACS to be profitable, (look at the stock price).
> That's a lot of good paying jobs lost, tax payers and voters. In this
> environment ACS does not have enough money nor has enough personnel to
> expand our telephone facilities for new growth, especially with GCI with
> their low interconnection fees waiting to take the customer after our
> investment has been made. Let's make the playing field level.
> As of this time our company has not taken the fight to the public as GCI
> has, so I am doing my part for you to understand our needs. Feel free to
> contact me if you would like to discuss this issue from an ACS employee
> point of view.
> Let's make the playing field level, please support HB111 and all its
> critical amendments. Thank You

>

> Steve Hollenbeck
> OSP Engineer II
> ACS communications
> tel: 907-459-6474
> fax: 907-459-6460
> e-mail: shollenb@acsalaska.com

>

>

>

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Subject: PLEASE SUPPORT THE HB111 AMENDMENTS

Date: Thu, 15 May 2003 09:53:27 -0800

From: "Brown, Tana" <tbrown@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I AM IN SUPPORT OF THE HB111 AMENDMENTS AND HOPE THAT YOU CAMPAIGN TO HAVE THIS AMENDMENT PASSED. I AM AN ALASKAN VOTER AND RESIDE IN ANCHORAGE. AS A US CITIZEN I BELIEVE IN EQUAL AND FAIR COMPETITION FOR ALL. WITHOUT THIS AMENDMENT BEING PASSED THERE IS NOTHING EQUAL AND FAIR WITH THE WAY THINGS ARE DONE NOW. WHILE GCI IS ABLE TO GIVE \$3,000.00 BONUSES TO THEIR EMPLOYEES, ACS IS BEING BEATEN INTO THE GROUND IN EVERY WAY IMAGINABLE.

THANK YOU

TANA BROWN

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Subject: SUPPORT HB111 WITH ALL AMENDMENTS

Date: Thu, 15 May 2003 13:55:10 -0400

From: "Karel Shaw" <karel@acsalaska.net>

To: "The Honorable Lesil L. McGuire" <Representative_Lesil_McGuire@legis.state.ak.us>

Karel Shaw
2334 Marian Bay Cir
Anchorage, AK 99515

May 15, 2003

The Honorable Lesil L. McGuire
House of Representatives
Juneau, AK 99801-1182

Dear Representative McGuire:

SCENARIO:

I have a first class shoe store called Happy Feet for 80 years.

Federal law says, oh no, you have a monopoly.

You must offer competition, and oh by the way, you need to make room in your store for BOBO Marcus to come in and sell your shoes. They can also buy your shoes at below cost & sell them to the public cheaper.

And oh by the way, if you want to have a sale you need to file for an OK. In the meantime, since BOBO can do what they want (because BOBO needs no OK's from anyone), they've already had the sale and sold at below cost ALL my shoes!!

And oh by the way, they can have access to your cash register & customer data base but you need to pay for the building, the utilities, the buyers and any new inventory.

And oh by the way, BOBO can accelerate their depreciation over 12 years but HAPPY needs to depreciate over 30 years.

LUDICROUS, STUPID, RIDICULOUS you bet it is!!!!!!!!!!!!!!

But exactly the way RCA treats ACS.

FAIR COMPETITION.....NOT REGULATION

PLEASE SUPPORT HB 111 WITH ALL AMENDMENTS

KAREL SHAW
2334 MARIAN BAY CIR
ANCHORAGE, AK 99515
907-522-5251

Sincerely,

Karel Shaw

Subject: Support HB 111 with amendments

Date: Thu, 15 May 2003 10:08:04 -0800

From: "Powell, Justin C." <jpowell@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I have worked in the Telecommunications industry for several years and I find the current situation to be in a downward spiral. The current regulations attempting to promote competition are destroying the infrastructures they are supposed to be creating. Instead of building new facilities and upgrading services the ILEC, ACS is afraid to spend their capital. There is no guarantee that ACS will ever get a return on their investment if GCI can simply do as they please in leasing these lines at a substantially reduced rate. GCI has even less incentive to invest in the infrastructure if they can make ACS maintain and install all their facilities then simply sit back and collect their money.

To have fair competition both sides should play by the same rules. There is no reason that GCI should get special treatment by the RCA. They continue to badmouth ACS about being a monopoly that only wants to raise rates, while they themselves are the largest monopoly cable provider in Alaska. I'd like to see the RCA regulate cable TV prices and let ACS lease GCI's cable network and see what happens. If GCI truly wants competition and not just a subsidy than lets pass HB 111 with all its essential amendments and let competition begin to work.

Justin Powell
Fairbanks, Alaska
(907)479-1214

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To Whom It May Concern:

My name is Rachael E Herman-Timmons and I'm an ACS Employee. I have been here in Fairbanks, Alaska for 28 years, born and raised. My experience with ACS has been the greatest working experience I have ever had. I'm worried that with the unreasonable control over ACS by the RCA my job security is at stake. I can't see how ACS can survive when other competitors are not paying their fair share to use the network ACS builds and maintains.

When House Bill 111 passes Alaskans will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all competing companies will be operating under the same set of rules.

As a supporter I ask you to represent my family and myself when you cast your vote on this important legislation. Please support HB 111 and all its vital amendments.

Thank you for your time in this matter.

Rachael E Herman-Timmons
Customer Service Representative

Subject: Please support HB 111 and all of its critical amendments

Date: Thu, 15 May 2003 10:23:35 -0800

From: "Rasmussen, Philene M." <PRasmuss@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

I came to ACS in July of 1999. By taking this job I was able to continue to live in my home town which I love dearly. Alaska is the kind of State that makes you feel secure and a place that I am proud to raise my family. Before I started working for ACS I had no idea of the kind of competition between the phone companies in Alaska. Or what incumbent and CLEC meant. After working for ACS over the past year I have become very familiar with what goes on behind the scenes that our average customer does not know. GCI might be the CLEC in Alaska, but they are fairly big out side of the Alaska. ACS is owned and ran in Alaska. If you were to look behind our logo you would see a sticker that said made in Alaska. You can't find that in GCI. I hear the question brought up all the time "how can we help Fairbanks and Alaska continue to grow" I have the answer, by having companies such as ACS. ACS is not just a company that only cares about making money, like some of our competitors. ACS is also a tight nit family orientated company. That supports it's employee & offers great benefits. The kind of benefits that help us stay in Alaska which is becoming more and more expensive to live in each year. Please don't get me wrong competition is also good, but only when it's fair. For years ACS has suffered for being the incumbent phone provider. With unfair rulings. This question keep coming up in my head. Why does ACS a company that supports Alaskan jobs & families continue to be punished. I strongly feel if the support for HB 111 and it's amendments don't happen, it will begin to cripple ACS. Is this the kind of statement our Legislator wants to project. That we should all bend over back wards to help companies like GCI and continue to get them the upper hand? What do they really give back to Alaska?? I know that ACS keeps jobs in Alaska which in the long run continues the flow of money back into our State. I truly think that if we don't start making amendments to some of the bills that will allow fair compaction it will jeopardize my job security and other ACS employees. Which in the long run will hurt our children more. I don't want to see that happen. I would like nothing more than to continue to live in Alaska. And know that when my children are grown, they also will have the chance to make Alaska their permanent home. Thank you for your time in reading my email and please truly look at what the cost would be if no amendments were to be made. Alaska can only remain strong if job jobs are available to the people.

Thank you
Philene Rasmussem

<<...OLE_Obj...>>

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Subject: Please support HB111 with Amended proposal by Tim Anderson

Date: Thu, 15 May 2003 10:20:09 -0800

From: gilbertc@acsalaska.net

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state

CC: "Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>

When Arliss Sturgulewski on a GCI ad., saying about special interest groups. Who are the special interests group here Arliss? Arliss is saying something that most people don't know what she is saying here. GCI don't have to phone cable lines and they are paying less than other for the use of that cable.

ACS has to share its products and services with competing companies like GCI, and this will encourage companies like ACS to spend on capital projects to improve advanced deployment of advanced telecommunications equipment to service Alaskans. This actually discourages companies like ACS to invest on NEW advanced telecommunications equipment to service Alaskans because ACS would have to share this NEW technology with competing companies like GCI, AT&T and TelAlaska and ACS would not a good return on their investment. Companies like GCI, do not have to invest on any capital projects and advanced telecommunications equipment to service Alaskans because they can get it from ACS for below cost. So why should ACS invest on anything. Your in business to make money, not share investments. Who ends up suffering? We Alaskans, the public.

Please support HB111 with Amended proposal by Tim Anderson

Gilbert Carrillo
8301 Majestic Dr
Anchorage, Ak 99504

Subject: HB111 and SB72

Date: Thu, 15 May 2003 10:37:23 -0800

From: "Starett, Cindy" <CSTARETT@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.state.ak.us>, "Representative_Tom_Anderson@legis.state.ak.us" <Representative_Tom_Anderson@legis.state.ak.us>, "Representative_Dan_Ogg@legis.state.ak.us" <Representative_Dan_Ogg@legis.state.ak.us>, "Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>, "Representative_Ralph_Samuels@legis.state.ak.us" <Representative_Ralph_Samuels@legis.state.ak.us>, "Representative_Les_Gara@legis.state.ak.us" <Representative_Les_Gara@legis.state.ak.us>, "Representative_Max_Gruenberg@legis.state.ak.us" <Representative_Max_Gruenberg@legis.state.ak.us>

I have worked in the Telecommunications industry for several years and I find myself in a situation where my company is not allowed to compete... my job security, retirement, and my children's future are at stake. Please support HB 111 and SB 72 and all its critical amendments.

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. Would ACS raise its Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

Cindy Starett
1918 North Salem Loop
Anchorage Alaska 99508
907-561-8539

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Subject: HB111 and SB72

Date: Thu, 15 May 2003 10:37:23 -0800

From: "Starett, Cindy" <CSTARETT@acsalaska.com>

To: ""Representative_Lesil_McGuire@legis.state.ak.us"" <Representative_Lesil_McGuire@legis.stat
""Representative_Tom_Anderson@legis.state.ak.us"" <Representative_Tom_Anderson@legis.sta
""Representative_Dan_Ogg@legis.state.ak.us"" <Representative_Dan_Ogg@legis.state.ak.us>,
""Representative_Jim_Holm@legis.state.ak.us"" <Representative_Jim_Holm@legis.state.ak.us>,
""Representative_Ralph_Samuels@legis.state.ak.us"" <Representative_Ralph_Samuels@legis.sta
""Representative_Les_Gara@legis.state.ak.us"" <Representative_Les_Gara@legis.state.ak.us>,
""Representative_Max_Gruenberg@legis.state.ak.us"" <Representative_Max_Gruenberg@legis.s

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Subject: AMENDMENT HB-111

Date: Thu, 15 May 2003 10:38:57 -0800

From: "Walton, Vanessa" <VWalton@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I'm asking you to back this amendment. I am an employee of ACS and if this fails alot of people could be out of jobs. I am a long time Alaskan, single parent. Thank you for your consideration.

Thanks
Vanessa Walton

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Subject: HB 111 (WITH AMENDMENTS)

Date: Thu, 15 May 2003 10:40:15 -0800

From: "Liebe, Brooke E" <Bliebe@acsalaska.com>

To: "representative_lesil_mcguire@legis.state.ak.us" <representative_lesil_mcguire@legis.state.ak.us>

May 15, 2003

Dear House Representative Lesil McGuire,

I have been an employee of ACS for 2 years now, I am 22 years old and I plan to stay with this company until I am able to retire. If you do the calculations you will clearly see that I still have many, many years ahead of me before that day will come. Unfortunately my dreams of having job security, a retirement to look forward to and an income to support my family are all at stake right now because the company that I work for is not being opted a fair chance to compete. Please support HB 111 with amendments.

It is impossible for ACS to survive as a company when GCI is operating under a completely different set of rules. ACS cannot compete with a company that is able to bundle together regulated and unregulated services thus offering lower prices to their customers. Due to this, ACS customers are none other than driven to the competition for this very reason. All that ACS asks is that GCI pay a compensated rate for use of the ACS network. This would be equal competition to both companies.

When House Bill 111 as amended passes, the consumers of ACS will finally have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be in operation under the same set of rules on a level playing field.

I am a registered voter here in Alaska and I strongly urge you to represent my family and myself when you cast your vote on this so very important legislation.

Forcing ACS to subsidize its competitors is not competition. Please support HB 111 and all its critical amendments.

Sincerely,

Brooke E. Liebe

bliebe@acsalaska.com

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Date: Thu, 15 May 2003 10:40:15 -0800

From: "Liebe, Brooke E" <Bliebe@acsalaska.com>

To: "representative_lesil_mcguire@legis.state.ak.us" <representative_lesil_mcguire@legis.state.ak.us>

May 15, 2003

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Sincerely,

Brooke E. Liebe

bliebe@acsalaska.com

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Subject: HB111

Date: Thu, 15 May 2003 10:41:02 -0800

From: "Lewis, Lori" <Lori.Lewis@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I have worked in the Telecommunications industry for many years and I find myself in a situation where my company is not allowed to compete.... my job security, retirement, and my children's future are at stake. ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless. GCI- has been able to do this for over seven years.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

Forcing ACS to subsidize its competitors is not competition. Please vote to support HB 111 and all its critical amendments.

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Subject: HB111 with amendments

Date: Thu, 15 May 2003 10:40:41 -0800

From: "Inskeep, Sherry" <sinskeep@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

I have worked in the Telecommunications industry for many years and I find myself in a situation where my company is not allowed to compete.... my job security, retirement, and my children's future are at stake. Please support HB 111 and all its critical amendments.

ACS should be allowed to compete by the same rules as GCI. For example, ACS should be allowed to bundle together regulated and unregulated services such as local, long distance, Internet and Wireless (the cable monopoly- GCI- has been able to do this for over seven years). I encourage you to support HB 111 and all its critical amendments.

What we have witnessed through full-page ads, radio spots, Internet sites, and political maneuvering is an attempt to maintain a structure, which requires ACS to subsidize its chief competitor, GCI, the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost ACS has incurred. I encourage you to support HB 111 and all its critical amendments.

Would ACS raise its Local and/or Business Customer Rates by \$100 million annually? Of course not. Such action by ACS would drive customers to the competition. ACS would raise its interconnection fees so that GCI was paying a compensatory rate for use of the ACS Network. This is competition at work.

When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field.

Thank you very much for your time
Sherry Inskeep

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Subject: HB 111 WITH AMENDMENTS

Date: Thu, 15 May 2003 10:47:49 -0800

From: "Reese, Donna" <DReese@acsalaska.com>

Please SUPPORT HB 111 WITH AMENDMENTS.

I encourage you to represent me, my family, and my friends when you cast your vote on HB111. I urge you to SUPPORT HB111 along with the original critical amendments.

I am for FAIR competition for Alaska telecommunications companies; however feel very strongly that ACS has not received this fair treatment by the RCA. I have worked in the telecommunications industry for the past 13 years and have seen many changes, both good and bad. One of the saddest most unfair change I have watched materialize over the past years are the unfair rulings by the RCA which regulates stringent restrictive rulings over ACS but not to GCI. Thus, ACS has been seriously handicapped in being able to compete and offer our customers more competitive services and prices which GCI continues to be able to enjoy, and to offer our local communities.

In the past years, ACS staff, our families, and our friends have witnessed through full-page ads, radio spots, internet sites, and political arenas an attempt to maintain a structure, which requires ACS to subsidize its chief competitor... GCI. GCI who truly is the cable monopolist. This subsidy takes root in lease rates that are a mere fraction of the true cost that ACS has incurred.

Again, I urge you to SUPPORT HB111 along WITH AMENDMENTS. By doing so, you will be supporting hundreds of local Alaskans and their families by not only helping to guarantee our job security, but also by truly allowing for fair competition within Alaska. Thank you for your support.

Donna Reese
2297 Outside Blvd.
North Pole, Alaska 99705
907-488-3721 HM
907-459-6461 WK

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Subject: support HB111 with amendments

Date: Thu, 15 May 2003 10:45:52 -0800

From: "Merry, Heather" <Heather.Merry@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

As a worker in the telecommunications industry, I am concerned with the issue of the RCA and the possibility of not passing HB111 with amendments. When ACS is required to lease its facilities at a fraction of the cost to maintain them, competition does not exist. When the RCA requires ACS to build new facilities to maintain GCI lines, how can ACS compete? The cost is falling on ACS, rather than the users of the facilities, GCI. ACS should be allowed to compete and function by the same rules as GCI. When House Bill 111 as amended passes, Alaskan telecommunications consumers will have real competition for the first time. Competition which allows all service providers to offer their "best" deals because all the competing companies will be operating under the same set of rules on a level playing field. For the sake of jobs, work ethics, and industry competition (if the RCA would allow fair competition) the Alaskan industry could only benefit from passing HB111 and all of its amendments.

My family's livelihood depends on passing HB111 with amendments as written. My husband and I are both in the telecommunications industry and if the bill does not pass, it could affect our well being drastically.

Forcing ACS to subsidize its competitors is not competition.

I encourage you to represent my family and myself when you cast your vote on this important legislation. Please support HB111 and all its critical amendments.

Heather Merry
Alaska Communications Systems
600 Telephone Ave
Anchorage, AK 99503
hmerry@acsalaska.com
907-564-1001
907-564-1678 fax

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Subject: HB111 with Amendments

Date: Thu, 15 May 2003 10:59:05 -0800

From: "Morris, Dennis L" <DMORRIS@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

I have lived in Alaska for 44 years and have been in the telecommunications industry for over 28 years and would like to take a little of your time to let you know how I feel about HB111. I would like to let you know that I believe this bill with all the existing amendments is crucial for this state to build a modern and viable telecommunications network. GCI has been treated like something special since the day they started to compete with Alascom in the long distance market. We need to have fair competition, not one company making its profits to the detriment of another. GCI is attempting to put a spin on this in the newspaper and radio that we shouldn't bow to last minute "special interest" amendments. GCI and their push to kill the amendments is to only real "special interest" in this mess and confirms this with the untold thousands of dollars spent on their add campaigns. GCI is the only monopoly left in this state with their cable company.

The ILEC is only asking to be given the same rules that GCI is working under. Some examples are:

1. GCI is able to depreciate their investment over 12 years; ACS is forced to use 30 years.
2. GCI can bundle all of their services together any way they want, ACS can not bundle regulated and deregulated items and need to get a tariff approved which GCI usually fights.
3. When GCI gets a line they are allowed to get the REA subsidy when they do nothing in the way of installing or maintaining cable facilities to serve the customer. This is sure way to destroy to benefits of universal service in areas of high cost.

I appreciate your time and I and my family who's livelihood depends on the outcome of this bill will be watching how this bill progresses.

Thanks for your time,

Dennis Morris
Alaska Communication Systems
Acting SWC Foreman
907-564-1906

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Subject: FW: HB 111

Date: Thu, 15 May 2003 11:07:26 -0800

From: "Rossback, Jewell G." <JRossbac@acsalaska.com>

To: "'Representative_Lesil_McGuire@legis.state.ak.us'" <Representative_Lesil_McGuire@legis.stat

> My husband and I have been employed by ATU, PTI and ACS for at least
> 25 years. Being in the communication business for this many years, we
> have seen so many changes, some that are healthy and some that are not.

> We believe that ACS should be allowed to compete by the same rules
> as GCI. For example, ACS should be allowed to bundle together regulated
> and unregulated services such as local, long distance, Internet and
> Wireless. GCI has been doing this for many years.

> Everywhere we turn, the news media is always against the incumbent.
> They help fuel the communications problems. Where is it fair that we
> should lease our equipment to GCI and they not have to pay what it costs
> to support it? Is it that our Representatives want to see the failure of
> competition or bankrupt one company where there will be no competition
> anymore??

> When House Bill 111 as amended passes, there will be real
> competition for the first time. This will allow service providers to
> offer their best deals because all the competing companies will be
> operating under the same set of rules.

> As a voter in Alaska for almost 30 years, I encourage you to vote in
> support of the House Bill 111.

> Thank You

> Bill and Jewell Rossback

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Subject: HB111, with amendments

Date: Thu, 15 May 2003 11:06:12 -0800

From: "Gamash, Pam" <pgamash@acsalaska.com>

To: "Representative_Lesil_McGuire@legis.state.ak.us" <Representative_Lesil_McGuire@legis.stat

I am an ACS employee who witnesses on a daily basis the negative impact to customers caused by the one sided regulation of phone service in Alaska. A situation being called "competition" by GCI is in fact has tied the hands of ACS. Current regulations force ACS to lease lines to GCI at a rate that is below the cost of maintaining the lines. There may have been a time when keeping the ACS giant in check seemed necessary, but that time has passed. ACS has lost 50% of the market share. The current situation also supports regulations that prohibit ACS from offering efficient customer service. Customers who wish to purchase ACS services must be passed to several departments because of guidelines set forth by the RCA. Customers who call GCI for these same services can speak to one person to receive several services with the blessing of the RCA. ACS representatives are not allowed to even speak about certain ACS products. This gives the impression to the general public that dealing with ACS is painstaking process. If the situation remains as it is today it is only a matter of time before ACS itself is a thing of the past. If ACS, the company that supports GCI & AT&T fails...then what will Alaskans do for phone service. Please level the playing field & help untie the hands of Alaskan Communications Systems, I urge you to vote yes on HB111, with amendments.

Pam Gamash

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Subject: HB111

Date: Thu, 15 May 2003 12:13:07 -0700 (PDT)

From: "Gerald S. and A. Linda Beyer" <gbeyer@rocketmail.com>

To: Representative_Lesil_McGuire@legis.state.ak.us

Dear Ms McGuire:<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />

Thank you for taking the time to read my e-mail. I would ask you to consider supporting HB111 with the amendments, rather than without.

I am an ACS employee, and have watched the RCA (APUC) rule consistently favor of GCI over the past ten years. There is at least one staff member who is a former ATU employee that bears ACS serious ill will, regardless of the merit of cases before them, and it's important to both competition and to fairness that the commission not be allowed to adjudicate w/o legislative review.

Trying not to be inflammatory, GCI has attained it's current market position by raising local cable rates (where they have the monopoly), and also by being subsidized by ACS' being forced to sell them core services well under our actual costs.

I believe that if the RCA persists in their historical approach, you will see the end of ACS.

I hope you will consider my concerns when your vote comes due.

cordially,

Gerald Beyer

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