

1 Conditions to Be Imposed on GCI

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3 **Q. Earlier in your testimony you mentioned a set of conditions that you believe the**
4 **Commission should impose on GCI in granting the requested waiver. Please**
5 **explain.**

6 A. Certainly. To ensure that the demonstration is fully consistent with the public interest, I
7 recommend that the following conditions be attached to the Commission’s waiver approval

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9 1. **Reporting Requirements:** GCI shall prepare and submit to the Commission, on an
10 annual basis, detailed reports, as specified by the Commission staff, concerning the
11 demonstration project:

- 12 (a) originating and terminating minutes
13 (b) customers
14 (c) investment and expenses
15 (d) changes in market conditions

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17 2. **Termination of Service:** GCI shall agree to provide service at the designated sites for
18 a minimum of 24 months, after which time, upon due notice and consistent with the
19 provisions of 3 AAC 52.365, it may file a request to terminate service at any designated site.
20 After this initial 24-month period, the Commission reserves the right to require GCI to
21 terminate service in any location where continued operation is found not to be in the public
22 interest. With Commission approval, if GCI terminates service, it may redeploy its
23 equipment to a more appropriate location. GCI shall not discontinue the project without the
24 advance consent of the Commission.

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26 3. **Notification Requirements:** Before commencing service to any customer, GCI must
27 notify that customer in writing of the experimental nature of the service, and the associated
28 risks, including the risk that the service may be modified or discontinued. GCI must notify the

1 Commission and its subscribers at least 30 days in advance of its intention to terminate any
2 service at any location.

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4 **4. Expansion:** The scope of the demonstration is limited to 50 sites, and may not be
5 expanded beyond that number without the advance consent of the Commission.

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7 **5. Dominant Carrier Status:** In the event that GCI carries the majority of interexchange
8 traffic originating at any of the demonstration sites, the Commission reserves the right to
9 determine that GCI is the dominant interexchange carrier for such site(s) and is therefore
10 required to meet the requirements of a dominant carrier at that location.

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12 GCI should also be reminded that it is required to make all of its services available for resale
13 at reasonable rates. GCI should further be put on notice that all risks associated with the
14 project are to be assumed by the Company and its investors, and that GCI's rates may not
15 be increased as a result of this project. It may be appropriate for GCI's obligation to include
16 some of the financial risks to the LECs which will require connection to GCI's system. In the
17 event that a test site does not become a permanent site, the Commission should evaluate
18 whether any sunk costs incurred by the LEC for the purpose of serving GCI, if they are not
19 recovered through access charges, should instead be covered by payment from GCI to the
20 LEC. Additionally, GCI should be required to specify exactly which sites it will select by a
21 date set by the Commission. Prior to the implementation of the demonstration, FCC
22 approval of the plans must be obtained by GCI.

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