

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
National Exchange Carrier Association, Inc.)	Transmittal No. 986
)	
Access Tariff Revisions, Tariff F.C.C. No. 5)	
)	

SURREPLY

General Communication, Inc. (“GCI”) is compelled to submit this Surreply because the Reply filed by the National Exchange Carrier Association, Inc. (“NECA”) demonstrates that their proposal is even more lopsided and illogical than was initially apparent. In short, NECA proposes a wholly unreasonable situation in which its members’ customers would be required to calculate PIU factors that are wholly unrelated to the traffic to which those factors would be applied, in order to artificially increase NECA members’ revenues by artificially increasing the number of high-priced *intrastate* access minutes.

Under existing practices, NECA members’ customers set percentage interstate usage (“PIU”) factors that are based on a jurisdictional analysis of all traffic that they deliver to a NECA member company, and those PIU factors apply to all delivered traffic. Thus, when GCI performs a study to determine its PIU, it analyzes the jurisdictional nature of traffic at all points that such traffic enters GCI’s network, and then applies that PIU to all GCI traffic that is delivered to that NECA company. The universe of traffic for the PIU-determining survey matches the universe of traffic to which the PIU is applied.

NECA now proposes to use calling party number (“CPN”) to determine the jurisdictional nature of traffic that passes CPN, and then to apply a PIU for jurisdictional assignment of only the traffic without CPN. In its Petition, GCI raised the concern that developing a PIU limited to the traffic that does not pass CPN is unworkable, and thus the PIU should be applied, as today, to the universe of traffic across which the PIU is determined: all switched access traffic at the end office regardless of whether the traffic passes CPN.¹

In responding to GCI’s concern, NECA’s Reply makes clear that NECA Transmittal No. 986 is actually worse than GCI thought, and would instead create a badly lopsided mismatch. NECA would *require* that an IXC calculate its PIU on the basis of all traffic—including traffic that passes CPN—even when the CPN-less traffic will have a significantly different jurisdictional composition.² And such a different composition is exactly the situation GCI faces. GCI’s network is capable of passing CPN for virtually all intrastate calls.³ But the traffic for which GCI cannot pass CPN overwhelmingly originates on other carriers in the lower 48, and is

¹ See *In re National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 986*, Petition for Suspension & Investigation of NECA Tariff Access Revisions (filed June 9, 2003) (“Petition”), at 4.

² NECA states:

GCI is also mistaken in its belief that the proposed revisions require a customer to calculate and provide a PIU factor unique to only that traffic for which the telephone company does not have sufficient call detail. The regulations for customer provided PIU factors require that the customer provide PIU factors at the end office level when an order for service is placed. PIUs may also be updated by the customer on a quarterly basis. Nowhere in Transmittal No. 986 does it state that the customer must provide the type of “exception” PIU factor GCI claims.

In re National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 986, Reply (filed June 13, 2003) (“Reply”), at 5.

³ See Petition at 4.

therefore interstate.⁴ Nonetheless, NECA's proposed tariff would require GCI to set a PIU for its CPN-less traffic that ignores the skew in the jurisdictional composition of the traffic for which GCI cannot pass CPN. NECA's proposal would therefore dramatically overassign the overwhelmingly *interstate* traffic for which GCI cannot pass CPN to the exorbitantly priced *intrastate* jurisdiction.⁵

The following hypothetical illustrates the bias that NECA would create. Suppose an interexchange carrier ("IXC") delivers 1000 minutes of terminating traffic to a NECA member company. The IXC passes CPN for 900 of those minutes, with 56 percent of those minutes identified by the CPN as interstate.⁶ The remaining 100 minutes, for which the IXC cannot pass CPN, are 99 percent interstate.⁷ This hypothetical IXC's traffic, as a whole, is approximately 60 percent interstate and 40 percent intrastate. Under Transmittal No. 986, NECA would require the IXC to calculate a PIU of 60. However, the traffic to which the PIU would apply—the 100 minutes of traffic without CPN—is in fact 99 percent interstate. NECA's proposed tariff would wrongly reclassify 39 percent of these interstate minutes as intrastate, and therefore subject to intrastate access charges. The magnitude of this distortion increases as the percentage of CPN-less traffic grows.

NECA's proposal is patently lopsided. At a minimum, GCI should be permitted to estimate, to the best of its abilities, the jurisdictional nature of the traffic without CPN.

⁴ Because GCI is a regional carrier that offers very little service outside of Alaska, by definition, virtually all of GCI's interstate traffic must originate outside of GCI's network.

⁵ See Reply at 5.

⁶ Of the 900 minutes, approximately 500 are interstate and 400 are intrastate. As GCI stated in its petition, using CPN to determine jurisdiction will still misclassify traffic, such as CMRS roaming traffic. See Petition at 2.

⁷ The 100 minutes would therefore be 99 interstate minutes and 1 intrastate minute.

NECA's proposal is extremely unjust and unreasonable, and the Commission should suspend it pending investigation.

General Communication, Inc.

By: _____ /s/
John T. Nakahata
Michael G. Grable
HARRIS, WILTSHIRE & GRANNIS LLP
1200 Eighteenth Street, N.W.
Suite 1200
Washington, DC 20036
(202) 730-1345

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CERTIFICATE OF SERVICE

I hereby certify that a copy of GCI's Surreply was served on this 13th day of June, 2003, by electronic delivery or facsimile transmission to the persons listed below.

By: /s/
Michael G. Grable

Marlene H. Dortch, Secretary
Federal Communications Commission
Room TW-A325
445 12th Street, S.W.
Washington, DC 20554
(via *ETFS*)

Qualex International
Room CY-B402
445 12th Street, S.W.
Washington, DC 20554
(via *email*)

William Maher, Bureau Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
(via *facsimile*)

Tamara Preiss, Division Chief
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
(via *facsimile*)

Judith A. Nitsche, Assistant Division Chief
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
(via *facsimile*)

Deena Shetler, Deputy Division Chief
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
(via *facsimile*)

Richard A. Askoff
National Exchange Carrier Association, Inc.
80 S. Jefferson Road
Whippany, NJ 07981
(via *facsimile*)