

DOCKET COPY ORIGINAL

RECEIVED

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

JUL 7 8 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
Amendment of Part 36 and )  
Part 69 of the Commission's )  
Rules to Effect Comprehensive )  
Reform of the Access Charge )  
System )

RM-8480

COMMENTS

BellSouth Telecommunications Inc. ("BellSouth") hereby submits its comments on the Ad Hoc Telecommunications Users Committee's ("Committee") Petition for Rulemaking to amend Part 36 and Part 69 of the Commission's rules.

The facial purpose of the petition is to persuade the Commission to adopt a comprehensive approach for access charge reform. The petition acknowledges the general consensus that the existing rules are outdated and are in need of change. It characterizes existing reform proposals as piecemeal approaches and purports to remedy this perceived deficiency by adding what it views as a necessary ingredient: separations reform. The essence of the petition is for the Commission to undertake two new proceedings which progress on parallel tracks so that the Commission can make "incremental rule changes as the exchange access and local

No. of Copies rec'd 024  
List A B C D E

exchange markets evolve."<sup>1</sup>

While BellSouth is encouraged by the Committee's acceptance, however belated, of the need for access reform, the petition is misguided in several respects. At the outset, the idea that the Commission must begin access reform anew by commencing a separate proceeding is fatally flawed. While the Committee may perceive its petition to be one in which it now joins the chorus of those who have urged the Commission to undertake access reform in the past, it overlooks the fact that the Commission has already begun consideration of access reform.

Beyond being a performance review for LEC price caps, the Commission, in CC Docket 94-1, is considering a wide spectrum of issues which collectively constitute access reform. It is simply error to view CC Docket 94-1 as limited to price cap rules and LEC pricing flexibility. The specific issues identified in the Notice were far broader in scope. Indeed, the Commission specifically requested interested parties to identify rule changes, other than price cap rules, that would promote its objectives. As a result, the record is developing in that proceeding that will enable the Commission to make meaningful and positive changes to the access rules.

To abandon, midstream, the process that is underway would result in the very "bog down" that the Committee

---

<sup>1</sup> Petition at 5.

claims its petition seeks to avoid.<sup>2</sup> It would require piecemeal consideration of two interrelated issues--price caps and access reform. Similar issues would be considered in separate proceedings, requiring duplicative efforts on the parts of both the Commission and interested parties. The Commission should eschew such an inefficient approach. Rather than discarding the work that has been completed, as the Committee's petition would do, the Commission should continue to build upon the current record and bring to conclusion access reform.

An equally flawed premise is that separations reform should parallel access reform. It is the Committee's view that separations "drives access policy." It is in this fundamental belief that the Committee is mistaken. To suggest that separations should drive access policy is no different than having the tail wag the dog.

Jurisdictional separations represents a political compromise. It is not, never was nor can it be an economically efficient allocation of costs. Indeed, the concept of economically efficient cost allocations is an oxymoron.

There can be no dispute that the telecommunications industry in general, and the LEC networks in particular, are characterized by a preponderance of shared use facilities. Overlay this characteristic with the dual regulatory scheme

---

<sup>2</sup> Petition at 5.

embodied in the Communications Act, and it is readily evident that jurisdictional separations can only serve to be a political compromise that permits the dual regulatory scheme to function. It is not a means of identifying economically relevant costs.

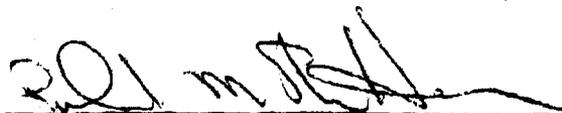
Will access reform necessitate a modification of jurisdictional separations? Perhaps, but it is just as likely that modification will not be needed. Whether or not amending jurisdictional separations will facilitate a particular Commission objective or goal is a question that can only be answered in the context of other regulatory reforms that take place such as price caps and access charges. For example, jurisdictional separations is not a significant factor in the regulation of AT&T which is subject to a mix of pure price cap and streamlined regulation. Such an outcome is equally likely for LECs.

The process for access reform, indeed regulatory reform, has begun. The Committee's petition is simply unnecessary. To reverse course now and pursue the process outlined by the Committee could only have a single outcome--delay. The public interest would be ill served to retreat

from the current efforts to bring about meaningful reform.  
Accordingly, the Commission should deny the Committee's  
petition.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "M. Robert Sutherland", is written over a horizontal line.

M. Robert Sutherland  
Richard M. Sbaratta  
4300 Southern Bell Center  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375  
(404) 614-4894

Date: July 8, 1994

CERTIFICATE OF SERVICE

I hereby certify that I have this 8th day of July, 1994 served all parties to this action with a copy of the foregoing COMMENTS by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the persons listed below.

James S. Blaszak  
Francis E. Fletcher, Jr.  
AD HOC Telecommunications  
Users Committee  
Gardner, Carton & Douglas  
1301 K Street, N. W.  
Suite 900 - East Tower  
Washington, D. C. 20005

  
Juanita H. Lee