

Bell Atlantic Network Services, Inc.
1133 Twentieth Street, N.W.
Suite 810
Washington, DC 20036
202 392-6979

Joseph J. Mulieri
Director - FCC Relations

EX PARTE OR LATE FILED

January 17, 1995

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Ex Parte

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Bell Atlantic Transmittal No. 94-97 -- CC Docket 94-97 ✓

Today, on behalf of Bell Atlantic, the attached letter is being submitted to Amy Glatter, Attorney in the Legal Branch of the Tariff Division, in regard to the above referenced proceeding.

Please enter this material into the record as required. Should you have any questions, please let me know.

Sincerely,



Attachment

cc: C. Canteen
A. Glatter
G. Matise

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Ex Parte

Ms. Amy Glatter
Attorney -- Legal Branch
Tariff Division
Federal Communications Commission
1919 M Street, N.W., Rm. 518
Washington, D.C. 20554

Re: Bell Atlantic Transmittal No. 94-97 -- CC Docket 94-97

The purpose of this letter is to clarify, and add to, information that I discussed with you in our telephone conversation on December 21, 1994, and to place that information in the public record as required by the Commission's ex parte rules.

As we discussed, the overhead rate adjustment factor that the Commission applied to the DS3 X-Connect nonrecurring charge for virtual colocation customers is inconsistent with the Commission's own stated objective to "extend to interconnectors the same treatment of overhead assignment that the LECs give their most favored DS1 or DS3 customers."¹ In calculating and prescribing the Rate Adjustment Factor (RAF) to the proposed DS3 X-Connect NRC rate of \$1800, the Commission is specifying a rate lower than that applied to most favored customers, i.e., DS3 term pricing plan (TPP) customers. The NRC currently applicable to DS3 TPP customers is \$1800. Based on the RAF prescribed in the December 9th Order ("Order"), the resulting NRC rate for a DS3 X-Connect would be \$864, far below the most-favored customer rate of \$1800.

In discussions with you and other tariff division staff members, it has been suggested that although the Commission calculated DS3 X-Connect NRC may in fact be below the rate applied to our "most favored customers", the issue is mooted by the fact that the NRC for DS3 TPP customers is currently waived under a NRC waiver plan that is in effect through June 30, 1995. That logic is inappropriate.

¹ Bell Atlantic Telephone Companies, Revisions to Tariff F.C.C. No. 1, CC Docket No. 94-97, DA 94-1421 (Rel. Dec. 9, 1994), ¶ 27.

The standard from which to compare rates has always been the effective tariff rate, not an interim waiver. It is incorrect to suggest that, because a tariffed rate has been temporarily waived, that the comparable tariffed rate is \$0 for the waiver period.

The only valid comparison of NRCs, to ensure that colocators receive the same treatment as our most favored customers, is to use the effective tariffed rate for TPP customers and the rate for DS3 X-Connects as proposed. In this case, the rate is the same -- \$1800.

In view of this information, Bell Atlantic is requesting that the Commission clarify that the RAF specified in its Order for the DS3 X-Connect NRC is not applicable and that Bell Atlantic may charge colocators the \$1800. In addition to the issue described above, Bell Atlantic's review of the overhead analysis contained in the Order indicates several other inconsistencies. Bell Atlantic will, however, address those issues in its Direct Case in CC Docket 94-97.

Finally, it should be noted that under the Network Optimization Window (NOW) waiver, NRCs applicable to special access colocation customers are waived through February 28, 1995.

Your attention to this matter will be appreciated and I look forward to hearing from you.

Sincerely,



cc: G. Matis
C. Canteen