Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of:	)	
	)	
Price Cap Performance Review for Local Exchange Carriers	)	CC Docket No. 94-1
	)	
Treatment of Operator Services Under Price Cap Regulation	)	CC Docket No. 93-124
	)	
Revisions to Price Cap Rules for AT&T	)	CC Docket No. 93-197

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OPPOSITION TO THE MOTION FOR EXTENSION OF TIME OF AD HOC TELECOMMUNICATIONS USERS COMMITTEE AND MOTION FOR EXTENSION OF TIME OF THE UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) hereby files in opposition to the Motion for Extension of Time filed by the Ad Hoc Telecommunications Users Committee (Ad Hoc),[1] and files its own motion for an extension of time in the above-referenced dockets.[2] USTA is the primary trade association of the Local Exchange Carrier (LEC) industry, with over 1100 members. USTA urges the Commission to deny Ad Hoc's request to separate the comment filings in the Fourth Further, notice from those in the Pricing Flexibility Notice. However, because of the large number of issues raised in these

[1]Motion for Extension of Time of the Ad Hoc Telecommunications Users Committee, October 31, 1995 (Ad Hoc Motion).

[2]LEC Price Cap Performance Review, Fourth Further Notice of Proposed Rulemaking, CC Docket No. 94-1, FCC 95-406, (released September 27, 1995) (Fourth Further Notice); LEC Price Cap Performance Review, Second Further Notice of Proposed Rulemaking, CC Docket No. 94-1, and Second Further Notice of Proposed Rulemaking, CC Docket 93-197, FCC 95-363 (released September 20, 1995) (Second Further Notice).

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extremely important dockets, USTA respectfully requests a brief three-week extension of the comment deadline for both dockets.

I. THE AD HOC MOTION SHOULD BE DENIED.

The premise underlying Ad Hoc's motion is unsound, and grant of its request would effectively preclude the Commission's consideration of interrelated issues raised in the Fourth Further Notice and the Second Further Notice. Ad Hoc's motion is premised on its belief that the X-factor in the price cap plan should be raised and this proceeding completed as soon as possible. However, they contend that the issues regarding pricing flexibility, on the other hand, should be postponed. Ad Hoc is incorrect to suggest that the issues raised in the Second Further Notice, such as the definition of appropriate markets and measures for assessing the competitiveness of market do not have immediate relevance. Ad Hoc Petition at 2. It is imperative that the pricing flexibility issues be resolved now to assure that the explosion of telecommunications competition is based on sound economics.

Additionally, these issues have immediate relevance to the issues being considered in the Fourth Further Notice. For example, as the price cap formula is intended to approximate the incentives faced by LECs in a competitive market, it is certainly relevant to assess when and under what standards LECs are already operating in a competitive market. Ad Hoc's request would separate the comment filings in the Fourth Further Notice from those responding to the Second Further Notice by three months. This would create

administrative complications for the commission, and preclude effective consideration of the interrelated issues raised in these two dockets by both the commission and interested parties. Accordingly, the Ad Hoc request should be denied.

II. THE COMMISSION SHOULD GRANT A BRIEF EXTENSION IN BOTH DOCKETS.

In addition, Ad Hoc's motion for a 90-day extension is inappropriate and excessive. The issues addressed in the Second Further Notice have been on the public record and ripe for Commission action since 1993, when USTA filed its petition for access reform. There is no need or requirement to delay consideration of these issues another three months. However, because of the complexity created by numerous interrelated issues raised in both the Second Further Notice, and the Fourth Further Notice, USTA suggests that the Commission grant a brief, reasonable delay in both proceedings of no more than three weeks. The Commission should not consider a longer delay because these proceedings give a headstart on many of the issues which will be raised in either implementing the impending federal legislation or moving forward with access reform. In light of ever increasing competition, even if legislation is not enacted, the Commission needs to move forward as quickly as possible in addressing the pricing issues.

USTA requests that the Commission grant a brief extension of the comment deadlines in these dockets in order to permit more thorough responses. In so requesting, USTA begins with the premise that the Commission's consideration of the issues raised in the Fourth Further Notice should proceed in close coordination with those raised in the

Second Further Notice. Expeditious implementation of additional pricing flexibility is essential to permit the robust development of competition.

Nevertheless, because of the complexity and volume of data required to prepare meaningful responses, all parties would benefit from additional time. Additional time would permit parties to more thoroughly address the substantial number of issues raised, and to prepare more thorough responses to the Fourth Further Notice's requests for financial and economic data.[3] For example, USTA is in the process of developing a Total Factor Productivity Review Plan (TFPRP) to accompany its description of a revised Christensen Total Factor Productivity (TFP) methodology for calculating the productivity offset in the price cap formula. This TFPRP will be similar in nature to that of the Tariff Review Plan used by the Commission in analyzing LEC price cap filings. The TFPRP will provide a formal means of displaying all the inputs and calculations necessary to develop the productivity offset. This format will enable all parties, including the Commission, to easily analyze the data set forth in this proceeding and in future annual calculations, as well as provide a format to demonstrate that the calculation of a TFP-based offset yields results which can be easily duplicated.

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[3]In the Ad Hoc Motion, Ad Hoc notes that the Commission released three orders inviting comments on important aspects of LEC's price cap regulation within a seven day period, and that these pleading dates in these dockets require numerous filings which are close together. Sprint's comments in support of Ad Hoc also mention the November 15 deadline to evaluate a substantial number of comments in the Toll Free Service Access Code proceeding, CC Docket 95-155. Sprint Comments in Support of Motion for Extension of Time, November 3, 1995. While these factors should be considered, the scenario proposed by Ad Hoc is unworkable for the reasons described above.

At the same time, USTA is preparing comments which respond to each of the specific questions asked in the Fourth Further Notice, and compiling, analyzing and preparing reports and data on LEC operations, economic performance, and the economic performance of the nation as a whole, for the purpose of addressing the issues in the Fourth Further Notice. Other parties are also likely preparing similar analyses of LEC's economic performance, and undertaking other research projects which would benefit from a short extension.

The Commission presently has the pleading cycles for the Fourth Further Notice and the Second Further Notice staggered by one week. USTA believes that it is important to keep these two items on a reasonably proximate time frame, and not disrupt the Commission's consideration of the interrelated issues raised in these two dockets. Additionally, consideration of competition in LEC geographic and service markets and additional pricing flexibility for LECs should begin as soon as possible. Additional pricing flexibility is needed now.

Accordingly, USTA respectfully requests that the Commission grant an extension of three weeks on the comment deadline for responding to the Fourth Further Notice, to December 18, 1995. In order to maintain the ability to consider interrelated issues simultaneously, it would be sensible to also extend the deadline for comments responding to the Second Further Notice by three weeks, to December 11, 1995. The reply comment deadline should also be adjusted accordingly, to January 17, 1996, for the Fourth Further

Notice, and to January 10, 1996, for the Second Further Notice.

Respectfully submitted,

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November 8, 1995

CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on November 8, 1995 copies of the Motion for Extension of Time of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.

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