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FEDERAL COMMUNICATIONS COMMISSION
Office of Secretary

Hand Delivery

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, Northwest
Washington, DC 20554

CC 96-262-3

Re: CC Docket No. 96-262, et al

Dear Mr. Caton:

Encloserd please find an original and twelve copies of tthe Initial Comments for filing in the above-captioned proceeding.

Kindly contact the undersigned should you have questions.

Sincerely yours,

Curtis T. White

Curtis T. White

Encls:

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Access Charge Reform	)	CC Docket No. 96-262
	)	
Price Cap Performance Review for Local Exchange Carriers	)	CC Docket No. 94-1
	)	
Transport Rate Structure and Pricing	)	CC Docket No. 91-213
	)	
Usage of the Public Switched Network by Information Service and Internet Access Providers	)	CC Docket No. 96-263

INITIAL JOINT COMMENTS

Allied Associated Partners, LP, Allied Communications Group and GELD Information Systems (hereinafter interchangeably "Allied" or the "Allied Consortium"), hereby file joint comments in the above-captioned proceeding and, in doing so, offer comment on certain policy considerations they urge the Commission to consider in fashioning final rules in the above-captioned proceedings.

The Allied Consortium is actively involved in private licensing and the deployment of broadband systems in urban and rural areas of the U.S. These systems provide an array of services, including video conferencing, teleconferencing, telemedicine, broadband data, internet services and switched interface with, among others, local exchange carriers (LECs), interexchange carriers (IXCs) and competitive local exchange carriers (CLECs).

The Commission appropriately recognizes that enactment of the Telecommunications Act of 1996[1] fundamentally changes telecommunications regulation. Of particular concern to Allied is the Congressionally mandated objective of ensuring that the changes promote competition throughout the telecommunications industry, and facilitate the entry of new players into a more competitive telecom environment.[2] As party participants in other proceedings involving FCC implementation of the 1996 Act,[3] the parties have previously voiced their broad categories of concern, and noted that:

> (i) the principles of the 1996 Act must not be construed in a manner which thwarts the fundamental Congressional directive of ensuring that benefits of technology advancement be denied any segment of the consuming public, or that implementation of services be delayed as a result of the erection of any artificial barriers; and
>
> (2) no entity should be faced with barriers which deter entry or otherwise inhibit its ability to offer telecommunications services in the pro-competitive, deregulatory era.

Because the instant proceeding serves as the third in a trilogy of (major) proceedings for implementing the Congressionally mandated goals of the 1996 Act, the parties offer the following comments for addressing their specific concerns in this regard:

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[1] Telecommunications Act of 1996, Pub. L. No. 104, 110 Stat. 56, *to be codified at* 47 U.S.C. §§ 151 *et. seq* (1996 Act).

[2] E.g., Sections 302, 402(b)(2), and 706 of the 1996 Act.

[3] The parties have participated in both the Local Competition phase of implementation of the 1996 Act (CC Docket 96-80) and in the Universal Service phase (CC Docket No. 96-45).

(1) Conforming Access Rules With Market Conditions & Goals Of The Act

The Commission acknowledges some aspects of its access rules must be modified in order to ensure conformance with the 1996 Act.[4] In effecting such changes, the Commission must consider whether portions of access charges should now rightfully be shared with facilities based access providers who, in the new environment, will provide broadband/highspeed local loop access into customers' premises;[5]

(2) Development Of New Guidelines For Terminating Access Charges

The Commission should consider establishing a rate ceiling for terminating access charges based on forward-looking, economic cost of providing the service.

(3) Information Service Providers

The Allied Consortium concurs that information service providers should not be required to pay interstate access charges as currently constituted. This is particularly true where such services are related to human resource activities such as telemedicine and distance learning.

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[4] The Commission has determined that, among others, Part 69 or its Rules are in conflict with the dictates of the 1996 Act. (Notice at ¶¶ 6-7.)

[5] Where access providers have constructed, at their cost, hybrid fiber/coax grids, they have, in fact, established the necessary (and local loop) broadband link to the customer, which then permits the delivery of "value-bundled" programs and services. This "network within a network" also facilities competition since it permits ease of interconnection with the end-user. Under these circumstances, a portion of the SLC charge (historically used to underwrite interstate allocation of loop costs from the end users' side) should be recovered by the new provider/owner of local loop access.

For the reasons stated, the parties urge the Commission to adopt the foregoing joint recommendations.

Respectfully submitted,

Allied Associated Partners, LP
Allied Communications Group
GELD Information Systems

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