

measurement and billing mechanisms.⁴⁴ ACSI shares TCG's concern and, in fact, is convinced that the amounts involved do not justify implementation of a measurement and billing mechanism for TS local switching costs. Because TS local switching costs are so small, ACSI believes that they should be bundled with NTS costs and recovered in a single charge.

D. No Rate Structure Changes Are Necessary for Special Access Services and Tandem-Switched Transport (¶¶ 80-95)

ACSI agrees with WorldCom's view that the Commission need not make any changes to the access rate structure for special access services and tandem-switched transport.⁴⁵ In particular, ACSI agrees with WorldCom that "no further relaxation of the existing, already very lax regulation of special access is appropriate until incumbent LECs have made a further showing regarding the potential and actual development of competition. In order to give the incumbent LECs incentives to cooperate in measures that facilitate local competition, the Commission should grant no further pricing flexibility until, at a minimum, incumbent LECs have fully complied with the pricing and other provisions of the competitive checklist."⁴⁶

ACSI also shares WorldCom's reluctance to revisit the non-remanded issues resolved in the *Transport Rate Structure and Pricing* proceeding.⁴⁷ Accordingly, the

⁴⁴ *TCG* at 21-22.

⁴⁵ *WorldCom* at 47-53.

⁴⁶ *Id.* at 47.

⁴⁷ *Id.* at 48.

tandem-switched transport rate structure should remain unchanged with charges consisting of a flat-rate charge for the circuit between the serving wire center ("SWC") and the tandem and a per-minute charge for the link between the SWC and the end office. Mileage should be measured in airline miles from the SWC to the end office.

E. Tandem Switching Should Be Subject to a Uniform Proxy Ceiling (§§ 92-95)

ACSI supports WorldCom's view that tandem switching should be subject to the same proxy ceiling, regardless of whether it is used as an unbundled network element or an interstate access element.⁴⁸ WorldCom is right to claim that there is "no rational basis for treating tandem switching as an unbundled network element differently from tandem switching as an access rate element."⁴⁹ Accordingly, the forward-looking proxy ceiling of 0.15 cents per minute that the Commission adopted for tandem switching in its *Local Competition* Order should be used as the basis on which incumbent LECs should be directed to reinitialize their tandem switching rates.

Additionally, ACSI shares WorldCom's concern regarding the difference between the allocation of overhead loadings to tandem switching and the allocation to other transport rate elements, such as high capacity direct-trunked transport.⁵⁰ ACSI believes that the best way of ensuring that the incumbent LECs do not engage in unreasonable discrimination in the

⁴⁸ *Id.* at 54.

⁴⁹ *Id.*

⁵⁰ *Id.* at 55-56.

allocation of overheads to tandem switching is to require equalization of overhead loadings for all transport elements.

F. The Commission Should Quantify All Readily Correctable Cost Misallocations and Eliminate Them from the TIC (§§ 96-122)

ACSI agrees with ALTS' suggestion that the Commission should quantify and eliminate all readily correctable cost misallocations from the transport interconnection charge ("TIC").⁵¹ Readily correctable cost misallocations include some SS7 signalling costs as well as the portion of the tandem switching revenue requirement currently included in the TIC that represents the actual cost of providing tandem switching (overhead costs should remain in the TIC). ACSI agrees with ALTS that the Commission should rely on market forces to reduce any remaining TIC.⁵²

V. THE COMMISSION SHOULD NOT REGULATE TERMINATING ACCESS PROVIDED BY NEW ENTRANTS (§§ 271-281)

ACSI believes that the Commission should not regulate terminating access provided by competitive access providers. Since new entrants, like ACSI, are nondominant and do not possess market power, they will be unable to price above incumbent LEC rates. Thus, in the event that the Commission finds it necessary to regulate incumbent LEC-provided terminating

⁵¹ *ALTS* at 26.

⁵² *Id.*

access, the Commission need not extend the applicability of such regulation to new entrants.⁵³

⁵³ See *Comments of WinStar Communications, Inc.*, CC Docket Nos. 96-262 *et al.*, at 5 (filed Jan. 29, 1997).

VI. CONCLUSION

For the foregoing reasons, ACSI urges the Commission to: (1) follow a modified market-based approach to access charge reform as described herein; and (2) adopt rate structure changes that follow cost causation and do not inadvertently create new barriers to competitive entry into the access market.

Respectfully submitted,
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