

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

JUL 29 1998

In the Matter of)	
)	
Operator Communications Inc.)	CC Docket No. 96-45
d/b/a/ Oncor Communications, Inc.)	DA 98-1409
Emergency Petition for Partial Waiver)	
)	

COMMENTS

MCI TELECOMMUNICATIONS CORPORATION

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Dated: July 29, 1998

Handwritten initials/signature

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COMMENTS

MCI Telecommunications Corporation (MCI) hereby comments on the waiver request filed by Operator Communications, Inc. d/b/a Oncor Communications, Inc. (Oncor) in the above-captioned proceeding.

In its waiver, Oncor requests that the Commission allow carriers “to calculate universal service contributions based on current year revenues rather than previous year revenues in circumstances where basing contributions on previous year revenues would impose undue economic hardship on the donors or where contributions based on previous year revenues would impede donor carriers’ ability to compete in any telecommunications service market segment.”¹ Oncor also asks the Commission to adopt an alternative contribution method where carriers would pay estimated contributions subject to an annual true-up.

Oncor argues that a waiver is necessary because the Commission’s current universal service mechanism, which calculates contributions based on the prior year revenues, imposes a significant burden on carriers, like itself, that have declining revenues. For example, Oncor states that although its universal service assessment represents 3.7% of a monthly pro rata

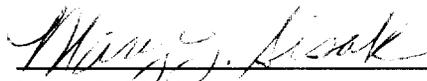
¹ Oncor Petition at 3.

portion of the revenues from the first half of 1997, the assessment represents 6.85% of Oncor's current revenues.²

Oncor's request is not properly considered in the context of a waiver and, instead, it should be considered in the context of a rulemaking. A waiver must implicitly accept the validity of the rules sought to be waived and thus may not be based on considerations that would be advanced in support of a change in the rules.³ Oncor's request, by its nature, is based on considerations that should be addressed in a rulemaking context-- namely, whether carriers with declining revenues, or all carriers, should contribute to universal service based on current year revenues. The rationale presented by Oncor-- that an assessment based on prior year revenues may not "match" current year revenues-- is the identical rationale that would be advanced and considered in a rulemaking proceeding in support of a change in the Commission's universal service mechanism. Accordingly, MCI urges the Commission to address this issue in a rulemaking, if at all.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION



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² Id. at 5.

³ Industrial Broadcasting Co. v. FCC, 437 F.2d 680, 683 (D.C. Cir. 1970); WAIT Radio v. FCC, 418 F.2d 1153, 1158 (D.C. Cir. 1969).

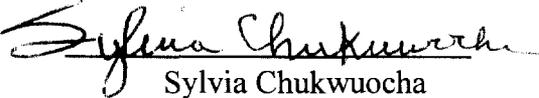
CERTIFICATE OF SERVICE

I, Sylvia Chukwuocha, do hereby certify that copies of the foregoing Comments of MCI Telecommunications Corporation were sent on this 29th day of July, 1998, via first-class mail, postage pre-paid, to the following:

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