



MCI Communications Corporation

1801 Pennsylvania Avenue NW
Washington, DC 20006
202 887 2048

Leonard S. Sawicki
Director
FCC Affairs

ORIGINAL

EX PARTE OR LATE FILED

EX PARTE

August 26, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street NW
Washington, D.C. 20554

RECEIVED

AUG 26 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

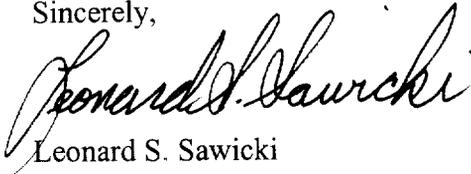
Re: CC Docket No. 96-128; Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996

Dear Ms. Salas:

Today, Mary Sisak, Chandan Choudhary, George Ford and I met with Craig Stroup of the Common Carrier Bureau. The purpose of the meeting was to review MCI's position in this proceeding. In particular, MCI discussed the economic analysis and the payphone cost study presented in our Comments and Reply Comments. The attached chart was used in addition to the materials already on the record.

Please add this letter and the enclosed copy to the record of this proceeding.

Sincerely,


Leonard S. Sawicki

Attachment

cc: Mr. Stroup

Number of Copies rec'd 0+2
DATE

Andersen Study Modified

<i>Cost Category</i>	Andersen 7/27/98 Calculations	MCI * Modifications to Andersen Calculations
Total capital cost per payphone	46.93	31.59 PTC's 10-K \$1,950 EF&I per payphone
<i>Volume sensitive cost</i>		
Usage	7.7	7.7
Interest on delayed PCC payments	1.705	1.705
PCC uncollectible costs	2.868	2.868
USF	<u>1.269</u>	<u>1.269</u>
	13.542	13.542
<i>Station sensitive costs</i>		
Monthly line charge	34.67	34.67
Payphone line coding	1.46	1.46
Maint. & Repair / Coin Collection Counting	22.66	22.66
Additional PCC collection costs	<u>0.659</u>	<u>0.659</u>
	59.449	59.449
<i>Other Costs</i>		
Administrative Expenses	23	23
Commissions	<u>35.73</u>	0 should not be included
	58.73	23
Total Station Costs	\$178.651	\$127.581
<i>Average number of calls</i>	478	700 market based number
Average cost per call (all calls)	\$0.374	\$0.182
<i>Coin-related adjustments</i>		
Coin mechanism		(3.75)
Usage		(7.70)
Maint. & Repair / Coin Collection Counting		(5.32)
USF		(1.27)
subtotal		\$109.543
Cost per 800 or access code call		\$0.156

* Modifications to only three assumptions