

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Assessment and Collection)	
of Regulatory Fees for)	MD Docket No. 98-200
Fiscal Year 1999)	

REPLY COMMENTS OF MCI WORLDCOM, Inc.

In this Notice of Inquiry (*NOI*) the Commission initiated a rulemaking proceeding seeking comments and suggestions for revising its method of assessing regulatory fees. MCI WorldCom, Inc. (MCI WorldCom) takes this opportunity to respond to comments of other parties that addressed the appropriate methodology for assessing fees upon providers of interstate services.

In its *NOI*, the Commission sought comment on SBC's proposal to base interstate carrier contributions on interstate end user revenue. The Commission noted that it had already rejected an earlier, identical, SBC proposal, and stated that it would not be feasible to use the end user revenue method because carriers currently report revenues, net of access charges, rather than on

an end-user basis.¹

Bell South addresses this point by inferring that the Commission will utilize the end user revenue method once the Commission revises its reporting requirements for TRS, NANPA, LNP, and USF,² and so asks the Commission to delay addressing the method of assessing regulatory fees until the *Streamlined Contributor Reporting Requirements NPRM* is concluded.³

The Commission should not wait until the *Streamlined Contributor Reporting Requirements NPRM* is concluded to rule on SBC's proposal. Contrary to Bell South's inference, the Commission will not have the data to assess regulatory fees using the end user revenue method when that NPRM is concluded. The Commission may not alter the method

¹NOI at ¶ 14.

²1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, *Streamlined Contributor Reporting Requirements NPRM*, CC Docket No. 98-171, released on September 25, 1998.

³Bell South Comments at 7.

January 19, 1999

carriers use to report revenues in the *Streamlined Contributor Reporting Requirements NPRM*, because the Commission failed to submit notice of possible rule changes into the dockets that created these funds, a violation of the Administrative Procedures Act.⁴

Furthermore, as MCI WorldCom showed in its Comments in this NOI and its Comments in the *Streamlined Contributor Reporting Requirements NPRM*, the end user revenue method is neither competitively neutral, nor equitable, because it transfers millions of dollars of regulatory obligations from incumbent local exchange carriers who operate in a non-competitive market, to interexchange carriers, who operate in a competitive market.

In conclusion, the Commission should retain its current method of using net revenues to assess regulatory fees, and reject proposals made by both SBC and Bell South

Respectfully submitted,

Lawrence Fenster

Lawrence Fenster
MCI WorldCom, Inc.
1801 Pennsylvania Ave., NW
Washington, DC 20006
(202) 887-2180

⁴See Comments of: MCI WorldCom, Inc., USAC, USF Coalition, and Ursus Telecom Corporation.

January 19, 1999

Statement of Verification

I have read the foregoing and, to the best of my knowledge, information and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on January 19, 1999.

Fenster

Lawrence

Lawrence Fenster
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006
202-887-2180

Service List

I, Barbara Nowlin, do hereby certify that a copy of MCI WorldCom's Reply Comments has been sent by United States first class mail, postage prepaid, hand delivery, to the following parties on this 19th day of January, 1999

William Barfield
BellSouth Corp.
1155 Peachtree St., NE
Suite 1800
Atlanta, GA 30309-3610

Angela Giancarlo
PCIA
500 Montgomery St
Suite 700
Alexandria, VA 22314-1561

Alan Shark
American Mobile Telecom Assoc.
c/o Elizabeth Sachs
Lukas, Nace, Gutierrez & Sachs
1111 19th St., NW
Suite 1200
Washington, DC 20036

Matthew Whitehead
ARDIS Company
300 Knightsbridge Parkway
Lincolnshire, IL 60069

Dennis Brown
Small Business in Telecommunications
1835 K St., NW
Suite 650
Washington, DC 20006

Mark Crosby
Industrial Telecom Assoc.
1110 N. Glebe Rd
Suite 500
Arlington, VA 22201

Joseph Godles
PANAMSAT Corp.
Goldberg, Godles, Wiener & Wright
1229 19th St., NW
Washington, DC 20036

Paging Network
c/o Judith St. Ledger-Roty
Kelley Drye & Warren LLP
1200 19th St., NW
Suite 500
Washington, DC 20036

Gerald Musarra
VP Government and Regulatory Affairs
Lockheed Martin Global Telecom
Crystal Square 2, Suite 403
1725 Jefferson Davis Highway
Arlington, VA 22202

Space Imaging L.P.
c/o Raymond Bender
Dow, Lohnes & Albertson
1200 New Hampshire Ave., NW
Suite 800
Washington, DC 20036

GE American Communications
c/o Peter Rohrbach
Hogan & Hartson
555 13th St., NW
Washington, DC 20004

L/Q Licensee, Inc
c/o William Wallace
Crowell & Moring LLP
1001 Pennsylvania Ave., NW
Washington, DC 20004

ORBCOMM
c/o Stephen Goodman
Halprin, Temple, Goodman & Maher
Suite 650 East Tower
1100 New York Ave., NW
Washington, DC 20005

International Transcription Service*
2100 M Street, NW
Suite 140
Washington, DC 20037

* Hand Delivered

Barbara
Nowlin

Barbara Nowlin