

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
)  
GTE Telephone Operating Companies )  
GTOC Tariff No. 1 )  
GTOC Transmittal No. 1148 )

CC Docket No. 98-79

REPLY COMMENTS  
OF THE  
UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association ("USTA") hereby files its reply comments in response to comments to the Commission's Notice<sup>1</sup> in the above-referenced proceeding. USTA is the principal trade association of the incumbent local exchange carrier industry ("ILECs").

USTA opposes the Petitions for Reconsideration ("PFRs") filed by the National Association for Regulatory Utility Commissioners ("NARUC")<sup>2</sup> and MCI WorldCom.<sup>3</sup> Comments filed in support of NARUC and MCI WorldCom are mere citations to prior

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<sup>1</sup> *Public Notice* DA 98-2502, released December 4, 1998.

<sup>2</sup> *Request for Clarification and or Reconsideration of the National Association of Regulatory Utility Commissioners*, CC Docket No. 98-79, filed November 30, 1998 ("NARUC PFR").

<sup>3</sup> *MCI WorldCom Petition for Reconsideration*, CC Docket No. 98-79, filed November 30, 1998 ("MCI WorldCom PFR").

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C DOCKET NO. 98-79  
JANUARY 19, 1999

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arguments previously raised and rejected by the Commission in this proceeding.<sup>4</sup> As USTA stated in its comments opposing the NARUC and MCI WorldCom PFRs:

The Commission has twice ruled that ADSL services provided by ILECs are jurisdictionally interstate. NARUC's *Request for Clarification* and alternative request for reconsideration, and the PFR filed by MCI WorldCom provide no compelling evidence to support their requests that the Commission modify in any way the correct decisions reached in two separate *Memorandum Opinions and Orders*.<sup>5</sup>

The Commission's *Orders* approved tariffs filed by ILECs to provide jurisdictionally interstate xDSL services consistent with prior Commission precedents. Contrary to comments by ALTS,<sup>6</sup> there are no issues presented in the PFRs filed by NARUC and MCI WorldCom which need further clarification or reconsideration by the Commission. USTA agrees with comments that the Commission's GTE ADSL *Order* correctly determined that Internet-bound traffic does not terminate at the ISP's local server, that the Commission properly determined that

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<sup>4</sup> See *Minnesota Department of Public Service, Minnesota Public Utilities Commission, Minnesota Attorney General Residential Utilities Division Comments* at 1-2; *People of the State of California and the California Public Utilities Commission Comments* at 2-7; *Washington Utilities and Transportation Commission* at 2-7; *RCN Telecom Services, Inc. Comments* at 2-8; *CTSI, Inc. Comments* at 2-7.

<sup>5</sup> See *USTA Comments* at 2, citing the Commission's *Memorandum Opinion and Order, In the Matter of GTE Telephone Operating Cos., GTE Tariff No. 1, GTOC Transmittal No. 1148*, CC Docket No. 98-79, released October 30, 1998; *Memorandum Opinion and Order in the Matter of Bell Atlantic Telephone Cos., Bell Atlantic Tariff No. 1, Bell Atlantic Transmittal No. 1076*, CC Docket No. 98-168, *BellSouth Telecommunications, Inc., BellSouth Tariff FCC No. 1, BellSouth Transmittal No. 476*, CC Docket No. 98-161, *GTE System Telephone Cos., GSTC FCC Tariff No. 1, GSTC Transmittal No. 260*, CC Docket No. 98-167, *Pacific Bell Telephone Co., Pacific Bell Tariff No. 128, Pacific Bell Transmittal No. 1986*, CC Docket No. 98-103, released November 30, 1998.

<sup>6</sup> *ALTS Comments* at 2.

at least 10% of telecommunications traffic over xDSL facilities constitutes interstate traffic warranting the filing of interstate tariffs by ILECs, and state tariffing of xDSL services may be appropriate when "GTE or any other incumbent LEC offer an xDSL service that is intrastate in nature."<sup>7</sup>

NARUC's request that the Commission clarify that cost allocation procedures remain in effect until separations issues are resolved by the Separations Joint Board<sup>8</sup> must also be denied. As stated in USTA's Comments, any consideration of separations issues is beyond the scope of the Commission's two *Orders* on xDSL services.<sup>9</sup> As BellSouth correctly states, any modifications to the separations regulations "must be made in accordance with the statutory requirement that calls for a federal-state Joint Board recommendation."<sup>10</sup>

USTA urges the Commission to deny the requests by NARUC and MCI WorldCom to raise issues already decided by the Commission. Eliminating regulatory uncertainty regarding ILEC deployment of advanced telecommunications networks and services will promote competition and increase options for consumers and businesses. Market driven competition, not regulatory delays, will ensure that the increasing demand for access to high-speed data and Internet connections can be met. Such competition is much needed and long overdue.

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<sup>7</sup> See *Ameritech Comments* 4-16; *Bell Atlantic Comments* at 2-5; *BellSouth Comments* at 2-10; *GTE Comments* at 3-11; *Pacific Bell Comments* at 2-8; *US WEST Comments* at 2-16.

<sup>8</sup> *NARUC PFR* at 1.

<sup>9</sup> *USTA Comments* at 4; *GTE Comments* at 10-11.

<sup>10</sup> *BellSouth Comments* at 10, citing 47 U.S.C. §410(c).

As MCI WorldCom has acknowledged "Many customers may not yet have a choice of high speed digital access for voice or data services."<sup>11</sup>

Respectfully submitted,

**UNITED STATES TELEPHONE ASSOCIATION**

January 19, 1999



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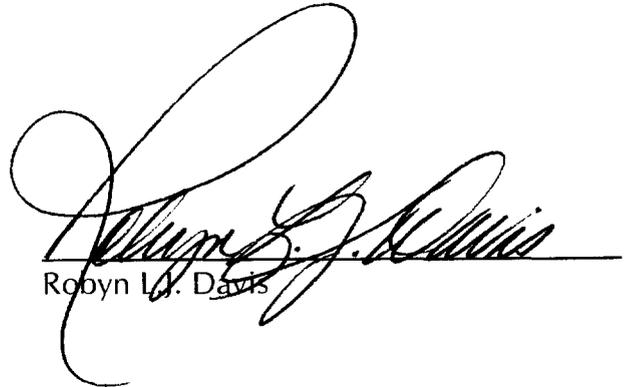
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<sup>11</sup> David N. Porter, Vice President - Government Affairs, MCI WorldCom, *Response to Staff Ex parte Request for Information* at 1-2, CC Docket No. 98-147, November 9, 1998.

**CERTIFICATE OF SERVICE**

I, Robyn L.J. Davis, do certify that on January 19, 1999 copies of the Reply Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.



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