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EX PARTE OR LATE FILE

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RECEIVED

June 24, 1999

JUN 24 1999

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte in CC Docket No. 96-262; CC Docket No. 96-61 ✓

Dear Ms. Salas:

Today, Mary Brown, Brad Stillman, and I, representing MCI WorldCom, met with Jane Jackson, Rich Lerner, and Jay Atkinson of the Common Carrier Bureau's Competitive Pricing Division to discuss issues related to the multiline business PICCs that will go into effect on July 1, 1999.

We noted that some ILECs will be charging multiline business PICC rates well below the national average, and that certain ILECs, such as Pacific Bell, have tariffed a multiline business PICC rate of zero. We discussed the likely reaction of customers in areas served by these ILECs if IXCs were to attempt to recover their PICC costs on a nationally-averaged basis.

While the Commission declined, in the Access Reform Order, to forbear from applying section 254(g)'s rate averaging requirement to IXCs' per-line charges, the Commission made clear that it would revisit this issue. The Commission stated that it would "continue to examine the issue of whether conditions exist that require us to forbear from application of section 254(g) as it relates to the recovery of PICC costs from subscribers."¹ In particular, the Commission indicated that it would "resolve this and other specific issues concerning the timing and degrees of pricing flexibility and ultimate deregulation in an upcoming order."²

The Commission could also address this issue by acting on WorldCom's petition for reconsideration of the Commission's decision not to forbear from applying section 254(g)'s rate averaging provisions to IXCs' flat-rated charges. In the alternative, an IXC

¹Access Reform Order at ¶98.

²Id.

could request that the Commission forbear from applying the rate averaging provisions to IXC's flat-rated charges under particular circumstances.

One original and four copies of this letter are being submitted to you in compliance with 47 C.F.R. § 1.1206(b)(2). If you have any questions concerning this matter, please contact me at (202) 887-3204.

Sincerely,



Alan Buzacott

cc: Jane Jackson
Rich Lerner
Jay Atkinson