

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Defining Primary Lines

) DOCKET FILE COPY ORIGINAL
) CC Docket No. 97-181
)
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

To: The Commission

REPLY TO OPPOSITIONS TO PETITION FOR RECONSIDERATION

1. Moultrie Independent Telephone Company ("Moultrie"), a rural independent local exchange carrier ("ILEC") serving 800 access lines in central Illinois, hereby replies to the Opposition ("Opposition") filed by AT&T to Moultrie's Petition for Reconsideration ("Petition") of that aspect of the *Report and Order & Further Notice of Proposed Rulemaking* in the above-referenced proceeding¹ that permits primary line treatment to be given to only one telephone line per student dormitory room.²

2. In its Petition, Moultrie noted that the practical result of this limitation is both fundamentally unfair to students and administratively impractical for educational institutions, where telephone service is typically provided to student dormitory rooms on a master account which is billed by the local exchange carrier to, and paid by, a college or university. The Petition

¹ *Defining Primary Lines, Report and Order & Further Notice of Proposed Rule Making*, CC Docket No. 97-181, FCC 99-28 (released March 10, 1999) ("Primary Lines Order").

² AT&T implies in note 2 of its Opposition that Moultrie's Petition has limited relevance in this proceeding because Moultrie is a price cap LEC not subject to the primary/non-primary line distinction adopted herein. Moultrie has an interest in this proceeding because (i) it may establish precedent for the subsequent proceeding in which the same issue will be considered for rate-of-return LECs, and (ii) a number of Moultrie's employees have family members pursuing higher education at various universities in exchange service areas of price cap LECs. Many of those family members' educations are financed with educational loans.

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further stated that the revised rule discriminates between similarly situated students and works a hardship on financial aid students, many of whom would qualify for Lifeline Support were they not residents of dormitory rooms. In its Opposition, AT&T denounces Moultrie's claims of unfairness, arguing that the per line differential between a primary and non-primary residential line is a mere \$42.48 per year, a *de minimis* cost which a university can recover simply by raising its rates for dormitory rooms.³ AT&T's attempt to sweep the issue of fundamental fairness in distributing costs under a rug by urging the imposition of additional non-primary line costs on students is unacceptable.

3. AT&T's calculations suggest that, under the new rules, the additional cost for a second line into a student's dormitory room is \$42.48 per year or \$3.54 per month, which in most cases will be passed on to the resident(s) of the room through an increase in tuition or other administrative charge. It might be administratively easier to accept AT&T's argument that in the entire array of costs that must be paid in order to receive a quality college education in today's world, an additional \$42.48 per year is a small amount of money to expect a student to pay. However, the Commission's charge is not to choose the *easiest* among various regulatory options, but instead to choose the one that *best serves the public interest*, even if that choice is more difficult to implement in practice.

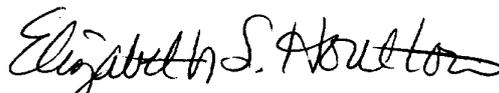
4. Many (if not most) of today's college students fund their education by taking out government and/or private loans. While it is certainly *easy* to merely require each of these students to borrow another \$42.48 per year to pay for the passed-through cost of a second line in

³ Opposition at 1 (note 1) and 4.

his or her dorm room, it is not fundamentally fair to impose this requirement. The cost of borrowing the additional \$42.48 on an annual basis amounts to yet another \$3.61 per year in interest (assuming 8.5% interest accruing per year), for a grand total of \$46.09 for the year (or 3.84 per month), which does not even include the compound interest that will accrue on that additional amount until the loan is repaid. If the FCC allowed in another proceeding an additional charge of \$3.84 *per month* on residential phone bills generally, it would be vehemently challenged by the adversely affected portions of the telephone industry as well as consumers. Similarly, the administratively easier pass-through solution suggested by AT&T, which puts an unfair burden directly on students who presumably are not in the position to pay for it or adequately to defend their positions at the federal agency level, should not be sanctioned in this proceeding.

4. For these reasons, as well as those stated in the Petition, Moultrie urges the Commission to reconsider its decision to restrict university dormitories to one primary line per room or suite and instead allow for one primary line per student, or alternatively, to count all telephone lines to dormitory rooms as primary.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I, Jennifer N. Reyes, hereby certify that on this 6th day of July, 1999, copies of the foregoing "Reply to Oppositions" have been served by U.S. first-class mail, postage prepaid, upon the following:


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