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

In the Matter of	
Access Charge Reform	CC Docket No. 96–262
Price Cap Performance Review for Local Exchange Carriers	CC Docket No. 94–1
Interexchange Carrier Purchases of Switched Access Services Offered by Competitive Local Exchange Carriers	CCB/CPD File No. 98–63
Petition of U S West Communications, Inc. for Forbearance from Regulation as a Dominant Carrier in the Phoenix, Arizona MSA	CC Docket No. 98–157

REPLY COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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Table of Contents

Page No.

Summary i

I. INTRODUCTION 1

II. THE COMMISSION SHOULD NOT HEED REQUESTS BY CARRIERS FOR UNLIMITED FLEXIBILITY TO GEOGRAPHICALLY DEAVERAGE THEIR ACCESS CHARGES 3

A. Carriers should be granted geographical pricing flexibility only if their charges for unbundled network elements are deaveraged 3

B. Before deaveraging, LECs should meet additional conditions that will allow more competition to develop 5

III. CONTRARY TO CLAIMS BY AN INCUMBENT LEC, INCREASED PRICING FLEXIBILITY IS NOT CONSISTENT WITH THE LOW–END EARNINGS ADJUSTMENT. 6

IV. COMMENTS DEMONSTRATE THAT THE COMMISSION SHOULD NOT ADOPT A CAPACITY–BASED ACCESS CHARGE. 7

A. A capacity–based charge is not supported by cost relationships 7

B. Comments contain numerous additional reasons for not implementing a capacity–based charge. 9

V. CARRIERS EXPLAIN THAT THE COMMISSION SHOULD PREVENT FURTHER INCREASES IN THE SUBSIDIES FURNISHED BY USERS OF BUSINESS MULTI–LINES 11

VI. TO PREVENT INCREASES IN CHARGES FOR MESSAGE TOLL SERVICES, CONSTRAINTS ARE NECESSARY ON ACCESS FEES LEVIED BY COMPETITIVE LOCAL EXCHANGE CARRIERS. 14

A. Originating access charges should be detariffed or limited to the incumbent's charge. 14

B. Terminating access charges should not exceed originating access charges. 16

VII. CONCLUSION 19

Summary

GSA addresses comments concerning proposals to provide increased flexibility to local exchange carriers under price cap regulation as competition expands. In responding to comments by many parties, GSA explains the need to balance the benefits of additional pricing flexibility with requirements for effective regulatory controls in order to increase opportunities for end users to benefit from competition.

At the outset, GSA addresses recommendations by incumbent LECs that the Commission grant wide latitude to geographically deaverage access charges. GSA urges the Commission to permit pricing flexibility for access charges only if charges for UNEs are also deaveraged. GSA concurs with competitive LECs that this precondition has the advantage of motivating carriers to deaverage their charges for UNEs, particularly local loops, which will foster more facilities–based competition for many services.

GSA also responds to a request that the Commission reverse its decision concerning the low–end earnings adjustment for LECs under price cap regulation. GSA explains that it is inconsistent to allow carriers who request increased pricing flexibility because of high levels of competition to simultaneously receive the benefits of traditional monopoly regulation such as an automatic rate increase to compensate for "low" earnings.

GSA also responds to comments by carriers concerning several aspects of the interstate access charge system. GSA concurs with recommendations that the Commission not adopt a capacity–based access charge. GSA also supports recommendations that the Commission take steps to prevent further increases in the subsidies furnished by users of business multi–lines.

Finally, GSA addresses requirements for regulating charges by competitive LECs for originating and terminating interstate calls. GSA outlines a procedure that is minimally intrusive for competitive LECs, but provides protection for long distance users.

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REPLY COMMENTS
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GENERAL SERVICES ADMINISTRATION

The General Services Administration ("GSA") submits these Reply Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Fifth Report and Order and Further Notice of Proposed Rulemaking ("Notice") released on August 27, 1999. The Notice seeks comments and replies on pricing flexibility for local exchange carriers ("LECs").

I. INTRODUCTION

In the *Access Charge Reform Order* released in 1997, the Commission initiated a market–based approach for transitioning the interstate access charges for LECs

under price cap regulation to the economic costs of providing these services.[1] The Commission continues this process in the current Notice by adopting changes in rules concerning incumbent LECs' tariffs and rate structures; by inviting comments on additional changes in regulations to give more pricing flexibility to incumbent carriers; and by seeking recommendations on the need for surveillance over access charge structures employed by competitive LECs.

GSA submitted Comments in response to the Notice on October 29, 1999. In its Comments, GSA emphasized the importance of balancing increases in pricing flexibility with the need for effective regulatory controls in order to increase the opportunities for end users to benefit from more competition for telecommunications services. For example, GSA explained that LECs should be granted geographical pricing flexibility for access rate elements, but only if their charges for unbundled network elements ("UNEs") are also deaveraged.[2] Moreover, GSA suggested a framework with increased pricing flexibility for LECs as more competition develops, but cautioned that some of the present rules must be strengthened to prevent further increases in the subsidies furnished by users of business multi–lines.[3]

More than 30 other parties submitted comments in response to the Notice. These parties include:

- 10 incumbent LECs and organizations of these carriers;
- 21 competitive LECs, other carriers and carrier associations; and
- 3 state regulatory agencies.

In these Reply Comments, GSA responds to the positions advanced by these parties.

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1 Notice, para. 2, citing In the Matter of Access Charge Reform, CC Docket No. 96–262 *et al.*, First Report and Order, released May 16, 1997 ("*Access Charge Reform Order*").

2 Comments of GSA, pp. 3–5.

3 *Id.*, pp. 7–8, and 10–13.

II. THE COMMISSION SHOULD NOT HEED REQUESTS BY CARRIERS FOR UNLIMITED FLEXIBILITY TO GEOGRAPHICALLY DEAVERAGE THEIR ACCESS CHARGES.

A. Carriers should be granted geographical pricing flexibility only if their charges for unbundled network elements are deaveraged.

Incumbent LECs recover their interstate common line costs through three principal rate elements:

- subscriber line charges ("SLCs") paid by end users as a monthly charge for each line;
- presubscribed interexchange carrier charges ("PICCs") paid by interexchange carriers ("IXCs") as a monthly charge for each presubscribed line; and
- carrier common line charges ("CCLCs"), paid by IXCs based on the number of minutes of traffic originated or terminated on the LECs' facilities.

Carriers are required to establish their access charges for each study area by averaging their costs over the area. Since most study areas are coextensive with state boundaries, they encompass a wide variety of subscriber densities. Thus, a substantial part of access costs — particularly the costs of the loop connecting the subscriber with the incumbent carrier's wire center — vary significantly within a study area.

All incumbent LECs submitting comments in response to the Notice request the flexibility to deaverage their access charges to meet these cost variations. Some of the carriers contend that their ability to deaverage should be unrestricted. For example, BellSouth asserts that the Commission should permit common line elements to be deaveraged without condition.[4] Also, the United States Telephone Association

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4 Comments of BellSouth, p. 3.

("USTA") states that in view of its economic benefits, "deaveraging should occur regardless of the extent of competition in a particular study area."[5]

GSA supports geographical deaveraging of access charges to match cost patterns within a study area. In its Comments, GSA urged the Commission to grant geographical pricing flexibility to incumbent LECs if their charges for UNEs were also deaveraged.[6] This precondition has the advantage of motivating carriers to deaverage their charges for UNEs, particularly local loops, which will foster more facilities–based competition.

The LECs' competitors emphasize that geographical deaveraging of access charges without deaveraging UNE charges for corresponding areas will impair development of competition by facilities–based carriers. Competitive LECs explain that incumbent LECs could maintain market control in high–density, lower cost urban areas by high UNE charges that impede entry by facilities–based carriers, while structuring access charges to maximize their own revenues and eliminate profit opportunities for resellers. AT&T explains that deaveraging of access charges without making unbundled loops available on a deaveraged basis "would allow the LECs to employ anti–competitive tactics — specifically cross–subsidization — in markets where sufficient competition to provide exchange access discipline has not yet developed."[7]

WorldCom also addresses the importance of prescribing limits on geographical deaveraging. WorldCom explains that the Commission should permit these LECs to deaverage common line rates only on the basis of the zones established for

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5 Comments of USTA, p. 3.

6 Comments of GSA, pp. 3–4.

7 Comments of AT&T, p. 3.

unbundled element pricing.[8] The use of UNE pricing zones as the basis for interstate access pricing zones provides some assurance that the zones are cost–based and not selected simply to target rate reductions to limit areas of emerging competition.[9]

B. Before deaveraging, LECs should meet additional conditions that will allow more competition to develop.

Competitors raise additional issues concerning geographical deaveraging of access charges. For example, Time Warner states that permitting geographical deaveraging in the absence of competitive pressures to discipline pricing actions by incumbent LECs "would create an opportunity for cross–subsidy and exclusionary pricing behavior."[10] Moreover, Time Warner explains that there is no cost basis for allowing incumbent LECs to employ disparate prices for switching elements in different geographical areas.[11]

Another competitor describes the need for placing conditions concerning provision of UNEs on incumbent LECs seeking to deaverage their access charges. In its comments, WorldCom states that the Commission should allow a carrier to geographically deaverage common line rates only if the LEC is providing a UNE platform throughout its entire service area.[12]

Furthermore, WorldCom explains that deaveraging should be permitted only if the LEC has reduced the PICC for business multi–lines to zero.[13] At the minimum, WorldCom recommends that a LEC be required to set its business multi–line PICC at a

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8 Comments of MCI WorldCom ("WorldCom"), pp. 4–6.

9 *Id.*

10 Comments of Time Warner Telecom ("Time Warner"), p. 28.

11 Id., pp. 30–31.

12 Comments of WorldCom, p. 4.

13 *Id.*

level where it is no longer subsidizing residential rates before addressing geographical cross–subsidies inherent in the structure of common line charges.[14]

For the reasons cited by these parties, GSA believes that LECs should be authorized to deaverage only if they have met pro–competitive conditions.

III. CONTRARY TO CLAIMS BY AN INCUMBENT LEC, INCREASED PRICING FLEXIBILITY IS NOT CONSISTENT WITH THE LOW–END EARNINGS ADJUSTMENT.

In the Notice, the Commission established a two–phase framework for granting additional pricing flexibility to LECs under price cap regulation:

Phase I: Allows LECs to offer contract tariffs and volume and term discounts, but requires them to maintain their generally available price–cap constrained tariffs; and

Phase II: Allows LECs to offer some services free of the Commission's rate structure and price cap rules, and to file tariffs on one day's notice.[15]

As a necessary condition, the Commission adopted a rule in the Notice prohibiting a LEC that has obtained either level of pricing flexibility for any of its service areas from exercising the low–end adjustment mechanism to compensate for earnings below 10.25 percent in the price cap formula.[16]

In its comments, GTE contends that the limitation placed by the Commission is not lawful because elimination of the low–end adjustment procedure as an option fails to recognize the requirement that a rate regulation plan not be confiscatory.[17] In fact, GTE has filed a Petition for Reconsideration of the Notice on this point, since

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14 *Id.*

15 Notice, paras. 77–157.

16 *Id.*, paras. 167–68.

17 Petition for Reconsideration of GTE Service Corporation ("GTE"), p. 3.

elimination of the low-end adjustment provision was a ruling rather than a tentative conclusion by the Commission.

GSA urges the Commission not to adopt the position advanced in GTE's Petition for Reconsideration. GSA believes that if a LEC requests flexible regulation on the grounds that it is effectively regulated by competition, it should not be permitted to simultaneously receive benefits of traditional regulation such as a rate increase to compensate for "low" earnings. GTE's request provides an example of "having the cake and eating it too."

Moreover, in spite of GTE's claim, the plan proposed by the Commission is not confiscatory because the incumbent LEC is not being forced to give up its property. The incumbent LEC has a clear option — relinquish the pricing flexibility and then obtain relief through the low-end adjustment. The ability to employ both courses would allow incumbent LECs too much flexibility to require that ratepayers for services with little competition fund competitive ventures that are proving to be unprofitable.

IV. COMMENTS DEMONSTRATE THAT THE COMMISSION SHOULD NOT ADOPT A CAPACITY-BASED ACCESS CHARGE.

A. A capacity-based charge is not supported by cost relationships.

The Commission established usage-based access charges for local switching based on the finding that most local switching costs were traffic-sensitive.[18] In the *Access Charge Reform Order*, the Commission acknowledged that the portion of local switching costs associated with line cards and trunk ports are non-traffic-sensitive, and revised the access charge structure to recover those costs through non-traffic-sensitive rates.[19] In the Notice, the Commission solicits comments on replacing the

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18 Notice, para. 209, citing 47 C.F.R. § 69.106.

19 *Id*, para. 209, citing *Access Charge Reform Order*, para. 62.

remainder of the per–minute charge with a capacity–based charge that would reflect the number of trunks connected to a LEC's end office switch.[20]

In its Comments, GSA urged the Commission to employ a capacity–based structure to recover the costs of the resources required to accommodate usage at the peak period.[21] GSA's recommendation was based on previous comments by a state regulatory agency that variable local switching costs are driven by peak demand.[22] GSA stated that if the comments submitted in response to the instant Notice substantiate this cost relationship, the Commission should consider adopting a capacity–based rate structure.[23]

In fact, however, comments in response to the instant Notice demonstrate that there is little cost basis for a capacity charge. For example, Sprint presents a detailed analysis of the facilities necessary to employ a typical digital switch, the DMS–100.[24] Based on this analysis, Sprint explains that a requirement for switching costs to be recovered on the basis of the number of DS1s entering the Digital Trunk Controller ("DTC") is an illusory method of charging for switching on a capacity basis because the number of DS1s does not control how much capacity the IXC is actually acquiring.[25]

To summarize Sprint's conclusions, the only way to charge for switching capability on a capacity basis would be to require each IXC to purchase the capacity of an entire DTC and also require the LEC to assume the responsibility for all links

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20 Notice, para. 207.

21 Comments of GSA, pp. 9–10.

22 Notice, para. 210.

23 *Id.*, p. 10.

24 Comments of Sprint, pp. 12–13.

25 *Id.*, p. 13.

between the DTC and the switched network.[26] As Sprint notes, such a procedure would grant a major advantage of scale to the largest IXCs.[27]

Moreover, even if peak pricing of access charges accurately modeled the costs for a single switch, LECs explain in their comments that this procedure would not necessarily result in more efficient use of the switched network because it would probably not lead to peak pricing for message toll services to end users.[28] For example, USTA notes that access charges are just one of many factors determining the prices for long distance services.[29] The LECs' switches handle a broad range of services, including local, intraLATA and interstate calls. In addition, the IXCs have their own switches that face peak demands occurring at different times. Indeed, the aggregate demand for all of the services on a number of switches determines the overall peak load on the network.

B. Comments contain numerous additional reasons for not implementing a capacity–based charge.

Comments in response to the Notice provide additional rationale for the Commission to eschew a capacity–based change. Several carriers explain that a capacity–based structure would run counter to the Commission's aims of increasing competition for local services. For example, AT&T notes that as IXCs interconnect with more competitive LECs, the efficiency of existing trunking arrangements can be expected to decline.[30] Thus, capacity–based charges for switching would recover a

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26 *Id.*

27 *Id.*

28 Comments of USTA, p. 14.

29 *Id.*

30 Comments of AT&T, p. 13, n. 19.

greater share of switching costs from users that require a decreasing share of the LEC's switching capacity.[31]

Other carriers explain that the Commission has too little reliable information to mandate a capacity pricing structure.[32] In any event, the market seems to be moving away from time-of–day pricing to a single rate for all minutes of use. Extensive and highly reliable cost data would be necessary for the Commission to mandate a rate structure that directly conflicts with the apparent preferences of the great majority of consumers.

Comments by LECs reference additional drawbacks to a capacity–based structure. For example, US WEST explains that implementation of a capacity–based structure would impose substantial additional costs on price cap LECs.[33] Specifically, LECs would be required to expand their tracking and billing systems because the procedures would have to accommodate capacity data while still continuing to monitor, record and in some cases bill on the basis of minutes–of–use data necessary for the jurisdictional separations process.[34]

Finally, US WEST states that a capacity–based structure would raise arbitrage possibilities for larger IXCs who generally employ both switched and dedicated transport connections.[35] Moreover, USTA notes that a capacity–based structure would penalize smaller IXCs that lack the economies of scale to purchase sufficient capacity for their highest demand periods.[36]

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31 *Id.*

32 Comments of USTA, p. 14.

33 Comments of US WEST, p. 9.

34 *Id.*

35 *Id.*, p. 10.

36 Comments of USTA, p. 14.

In short, comments in response to the Notice indicate that it would be unwise to implement a capacity–based charge for switched access. This view is predominant for parties on both sides of the issue — the LECs who levy the charge and the IXCs who must pay them. Accordingly, GSA recommends that the Commission not employ a capacity–based charge at this time.

V. CARRIERS EXPLAIN THAT THE COMMISSION SHOULD PREVENT FURTHER INCREASES IN THE SUBSIDIES FURNISHED BY USERS OF BUSINESS MULTI–LINES.

The Commission established caps for interstate access charges so that the monthly charges for business single lines and primary residence lines were less than the average revenue per–line permitted under the price cap rules.[37] The Commission specified that PICCs for business single lines and primary residence lines would increase until the sum of the PICC and SLC was equal to the maximum permitted revenue per–line. In the meantime, price cap LECs could recover their "shortfall" through PICCs on business multi–lines.[38] Consequently, business single lines and primary residence lines continue to receive an explicit subsidy from business multi–lines.[39]

The Commission observes that the increase in the amount received through the PICC subsidy should be equivalent to the growth rate of primary residence and business single lines.[40] The balance is disturbed, however, if the relationship between the total number of lines providing the explicit subsidy and the number of

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37 Notice, para. 230.

38 *Id.*

39 *Id.*

40 *Id.*, para. 231.

lines receiving the subsidy changes over time.[41] Specifically, the subsidy increases if the number of business multi–lines increases faster than the number of business single lines and primary residence lines.[42]

Incumbent LECs addressing the issue of business multi–line PICCs do not dispute the existence of an increasing cross–subsidy. However, these LECs contend that the difference in growth rates is not sufficient to warrant action by the Commission. For example, without referencing any data, Bell Atlantic asserts that "the actual difference in growth rates is in the single digits."[43] Also, USTA claims that the Commission should not "tinker" with the revenue recovery procedures.[44] According to USTA, the price cap system is working, and indeed increased LEC earnings are a sign of success.[45]

GSA noted in its Comments that data in *Statistics of Communications Common Carriers* published by the Commission's Industry Analysis Division demonstrate that the number of business multi–lines is increasing at a much faster rate than the counts for other types of lines.[46] For the two–year period ended December 31, 1998, the number of business multi–lines for all LECs increased by 15.4 percent while the number of business single lines declined by 8.4 percent. For these carriers, the total number of residence lines increased by only 7.4 percent, which GSA explained probably overstates the growth rate for primary residential lines.[47] Thus while the

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41 *Id.*

42 *Id.*

43 Comments of Bell Atlantic, p. 17.

44 Comments of USTA, p. 16.

45 *Id.*

46 Comments of GSA, p. 12, citing *Statistics of Communications Common Carriers*, 1996 and 1998 editions, Table 2.19.

47 Comments of GSA, pp. 12–13.

differences in the growth rates are possibly in the "single digits," as Bell Atlantic asserts, it is undeniable that business multi–lines, which are providing the subsidy, are increasing twice as rapidly as primary residence and business single lines, which are receiving the subsidy. From GSA's perspective as an end user, this condition is causing a substantial and unjustified increase in the cross–subsidy under the existing price cap rules.

Competitive LECs and IXCs concur with GSA that the Commission should address this expanding cross–subsidy. For example, WorldCom urges the Commission to adopt a set of revisions in the common line rate calculation procedures outlined in the Notice.[48] Moreover, AT&T endorses the same set of revisions as a means of ameliorating the disparity.[49]

As an alternative, AT&T suggests adjusting the PICCs for primary residence and single business lines beginning on January 1, 2000 so that these lines will no longer need to receive any subsidy from business multi–lines at all.[50] AT&T explains that this revision is encompassed in the proposal by the Coalition for Affordable Local and Long Distance Services ("CALLS"), which includes AT&T, Bell Atlantic, BellSouth, GTE, SBC Communications Corp. and Sprint Corp.[51]

In its Comments addressing the CALLS proposal, GSA stated that from its perspective as an end user, the Commission should adopt several modifications in the plan to foster more competition among all carriers.[52] However, in those Comments

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48 Comments of MCI WorldCom ("WorldCom"), p. 17.

49 Comments of AT&T, p. 24.

50 *Id.*, p. 25, n. 42.

51 *In the Matter of Access Charge Reform*, CC Docket No. 96–262, Notice of Proposed Rulemaking released September 15, 1999, Appendix C, p. 1.

52 *Id.*, Comments of GSA, pp. 3–4.

GSA strongly supported steps to address issues arising from disparities in the PICCs for different types of access facilities.[53] For the same reasons, it would be appropriate for the Commission to take steps in the instant case to ensure that the structure of access charges is maintained as nearly in balance with costs as possible, as the Commission intended in initiating access charge reform.

VI. TO PREVENT INCREASES IN CHARGES FOR MESSAGE TOLL SERVICES, CONSTRAINTS ARE NECESSARY ON ACCESS FEES LEVIED BY COMPETITIVE LOCAL EXCHANGE CARRIERS.

A. Originating access charges should be detariffed or limited to the incumbent's charge.

Although the Commission has continued to exercise controls over the structure of access charges employed by incumbent LECs, there have been virtually no constraints on actions by competitive LECs setting fees on IXCs for originating and terminating messages. Indeed, the Commission has reviewed issues concerning competitive LEC access fees on several occasions, and each time has decided not to adopt regulations concerning these charges because the competitive LECs did not appear to possess significant market power.[54] Nevertheless, the Notice states that the Commission will revisit the issue if there is sufficient indication that competitive LECs are imposing unreasonable charges.[55]

Comments by competitive LECs generally support continuing the *laissez faire* policy. For example, the Competitive Communications Group states that no regulations are appropriate because competitive LECs with unreasonable rates will be

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53 *Id.*, pp. 7–10.

54 Notice, para. 237.

55 *Id.*

bypassed.[56] Moreover, according to these carriers, the complaint process provides a venue for the Commission to determine whether a competitive LEC is abusing its market power. Incumbent LECs also dispute the need for regulation of their competitors' access charges. For example, USTA asserts that proposals to regulate terminating access charges of competitive LECs conflict with the market–based approach to access pricing.[57]

From GSA's perspective, these carriers are not correct. At the originating end, IXCs may bypass the switched network by employing special access facilities. However, this configuration can be justified only at locations with extremely large originating traffic volumes. In general, high originating access fees place significant pressures on long distance charges ultimately paid by end users. The pressures increase as competitive LECs obtain more subscribers.

AT&T notes that a substantial number of competitive LECs have sought to tariff switched access rates at levels far above the charge by the incumbent LEC in the same service area.[58] To limit this condition, AT&T suggests that competitive LECs be encouraged to detariff their access charges, particularly where their rates exceed the corresponding charge by the incumbent LEC.[59] Competitive LECs would then negotiate originating access charges with IXCs.

State regulators submitting comments in response to the Notice also explain the importance of surveillance over access charges by competitive LECs. For example, the State of Alaska describes a potentially serious problem with access charges by

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56 Comments of Competitive Communications Group, p. 13.

57 Comments of USTA, p. 21.

58 Comments of AT&T, p. 28.

59 *Id.*, p. 30.

competitive LECs in high cost and remote areas.[60] The New York Department of Public Service ("NYDPS") also explains the need for limitations on access charges.[61] This agency reports that the New York Commission has concluded that access charges by competitive LECs at or below the incumbent's charges should be presumptively acceptable, and any greater access charges would require justification by the competitive LEC."[62]

It is vital for the Commission to adopt a plan that provides a minimally intrusive but effective means of reducing pressures on IXCs to increase their charges to end users. GSA recommends that competitive LECs be permitted to tariff the same (or a lower) originating access charge as the incumbent LEC on a streamlined basis with no support whatsoever. Competitive LECs seeking to charge more than the incumbent's rate would have two choices — (1) justify the greater charge in cost support filed with the Commission, or (2) negotiate mutually acceptable arrangements with IXCs that elect to use their services.

B. Terminating access charges should not exceed originating access charges.

Competitive LECs have absolute "monopoly" power for calls that must be terminated on their own subscribers' lines. The originating LEC or the IXC bringing the call to the terminating LEC has no customer relationship with the called party, and virtually no possibility of influencing the called party's choice of a local carrier. In the longer term, the problem may be ameliorated as larger carriers begin serving more and more customers for both local and long distance traffic. In the meantime, however, the carrier at the originating end — and certainly the calling end user — are

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60 Comments of the State of Alaska, p. 5.

61 Comments of NYDPS, pp. 2–3.

62 *Id.*

completely captive to the decision made by the called party whom there is no alternative way to reach.

Several carriers suggest an approach that reconciles the disparate needs for regulating originating and terminating access charges by competitive LECs. For example, WorldCom recommends that the Commission establish a rule that would require carriers to charge no more for terminating access than they charge for originating access.[63] Time Warner endorses a similar procedure.[64]

A link between originating and terminating access charges is consistent with cost relationships because the costs of these functions are usually about the same.[65] Also, both originating and terminating access costs vary among geographical areas in the same way. Thus, the variations may be recognized by applying the constraint that the terminating charge not exceed the originating charge for each area such as the pricing zone employed in determining the needs for geographical deaveraging of access charges by the incumbent LEC.

Employing the constraint that a competitive LEC's terminating access charge not exceed the carrier's charge for originating access provides protection for end users. Furthermore, the constraint does not require development or maintenance of cost benchmarks. Moreover, the procedure is minimally intrusive for competitive LECs, with no requirements for cost studies or supporting documentation of any kind.

Perhaps most importantly, the procedure of using one access charge to cap another is basically self–regulating. To employ a greater charge for terminating access, the competitive LEC would be required to increase the charge for originating access. In short, the limitations on the LEC's originating charge constrain the carrier's

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63 Comments of WorldCom, p. 21.

64 Comments of Time Warner, pp. 4–5.

65 *Id.*

terminating access charge as well. GSA urges the Commission to adopt this plan as a simple but effective protection for end users.

VII. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Reply Comments.

Respectfully submitted,

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November 29, 1999

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I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Reply Comments of the General Services Administration" were served this 29nd day of November, 1999, by hand delivery or postage paid to the following parties.

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