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Before the
Federal Communications Commission
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Price Cap Performance Review)	CC Docket No. 94-1
For Local Exchange Carriers)	
)	
Access Charge Reform)	CC Docket No. 96-262

**GTE COMMENTS IN SUPPORT OF
UNITED STATES TELECOM ASSOCIATION
PETITION FOR EXTENSION OF TIME**

GTE Service Corporation and its affiliated local exchange carriers¹ (collectively "GTE") hereby submit their Comments in support of the United States Telecom Association ("USTA") Petition for a limited extension of time for filing comments and replies in the above-captioned proceeding, until January 7 and January 31, 2000 respectively.

The comments to be filed are in response to the Further Notice of Proposed Rulemaking ("FNPRM"), released November 15, 1999,² considering how the FCC should represcribe the price cap adjustment, or "X-Factor." GTE is mindful of the Commission's need to conduct this proceeding in accordance with the timetable established by the Court. However, the factual nature of the submission, the complexity

¹ GTE Alaska, Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., GTE West Coast Incorporated, and Contel of the South, Inc.

² The Commission issued this FNPRM pursuant to the US Court of Appeals decision to reverse and remand the FCC's 1997 Order. USTA v. FCC, 188 F.3d 521 (D.C. Cir. 1999). The Court stayed issuance of its mandate until April 1, 2000 to allow the Commission sufficient time to conduct this proceeding.

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of the X-Factor issues, and the importance of the proceeding, compounded by the holiday schedule, justify the short extension of time requested by USTA. Even with this extension, the Commission will still have two months after the replies are filed to issue its decision in compliance with the Court's schedule.

The FNPRM seeks comment on three possible options for setting the historical component of the X-Factor. Properly prepared comments will require extensive factual evaluation and analysis of the 1997 staff total factor productivity (TFP) study, the results of a new 1999 staff TFP study that makes several "adjustments" to the 1997 staff study, a new staff Imputed X study, as well as the Consumer Productivity Dividend. As noted by USTA, all the material needed to evaluate the proposals was not posted until December 2, 1999. In the interest in establishing a complete and fair record, price cap companies need a sufficient opportunity to review these studies and prepare comments. Price cap carriers should be afforded sufficient time to evaluate the staff studies and produce the comprehensive comments necessary to answer questions raised in the FNPRM.

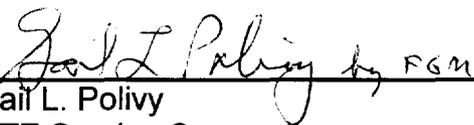
GTE also concurs in the importance of this proceeding to the price cap local exchange carriers. This factor determines the amount that price cap carriers must annually reduce the rates charged to interexchange carriers for interstate access. In the past, due to the complexity of the X-Factor issues and the complex modeling of the total factor productivity studies that produce the X-Factor, the Commission has afforded significantly more time to consider these issues. This evaluation and preparation of comments is even more difficult during the holiday period when holiday schedules already limit resources.

The importance of the proceeding, the complexity of the studies required, the financial impact of the X-Factor to the price cap companies and the holiday schedule, taken together justify the reasonable extension of time. The limited extension requested by USTA would still allow sufficient time for the Commission to respond to the Court by April 1, 2000.

December 14, 1999

Respectfully submitted,

GTE Service Corporation and its
affiliated local exchange carriers,



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