

March 6, 2000

EX PARTE – By Electronic Filing

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, SW
Washington, DC 20554

Re: Coalition for Affordable Local and Long Distance Service Proposal –
CC Dockets 96-262, 94-1, 96-45, 99-249

Dear Ms. Salas:

On March 3, 2000, Robert McDonnell (of Bell Atlantic), Whit Jordan (of BellSouth), Dennis Weller (of GTE), Paul Malandrakis (of AT&T), and I (on behalf of the Coalition for Affordable Local and Long Distance Service) met with Larry Strickling, Chief, Common Carrier Bureau, Carol Matthey, Deputy Chief, Common Carrier Bureau, Katherine Schroder, Robert Loube, Tom Navin and Jack Zinman, all of the Common Carrier Bureau. We discussed the points outlined in the attached presentations.

In accordance with FCC rules, I am filing copies of this letter in each of the above-captioned dockets.

Sincerely,


John T. Nakahata

Counsel to the Coalition for Affordable Local and
Long Distance Service

JTN/krs
Attachment

cc: Mr. Larry Strickling, Chief, Common Carrier Bureau
Ms. Carol Matthey, Deputy Chief, Common Carrier Bureau
Ms. Katherine Schroder, Common Carrier Bureau
Mr. Robert Loube, Common Carrier Bureau
Mr. Tom Navin, Common Carrier Bureau
Mr. Jack Zinman, Common Carrier Bureau
Mr. Robert McDonnell (Bell Atlantic)
Mr. Whit Jordan (BellSouth)
Mr. Dennis Weller (GTE)
Mr. Paul Malandrakis (AT&T)

Interstate Access USF Line Count Data Requirements

- USAC processing for 7/1/00
 - EOP 12/31/99 line counts to be filed on 3/31/00
 - Calculate support amount by price cap ILEC study area
 - Adjust line counts by growth factor
 - Develop per line support for each area

<u>End of Period Line Counts</u>	<u>Data Filed With USAC</u>	<u>Monthly Support Distribution (Subject to True-Up)*</u>
3/31/00	6/30/00	Jul, Aug, Sep
6/30/00	9/30/00	Oct, Nov, Dec
9/30/00	12/31/00	Jan, Feb, Mar
12/31/00	3/31/01	Apr, May, Jun

* Receipt of funds has a one month reporting lag

Interstate Access USF

General

- Contribution Expense is the amount each company pays into the fund based on the bill from USAC.
- Access USF Support or Receipts is money received from the fund by the carriers.
- Quarterly contribution expense factors are calculated by USAC and billed to the carriers.
- Contribution expense is paid the 1st of the month by each Carrier to USAC
- Access USF support is distributed the following month (one month reporting lag)
- USAC distributes monthly receipts based on appropriate quarterly line count data provided by the carriers
- Line count data is as defined in Part 36 (Category 1.3), excluding official and unbundled network elements lines

Interstate Access USF Annual Processing Requirements

- USAC data requirements
 - CMT revenue per line
 - Line count data filed on 3/31/00 (for 12/31/99 EOP) to be used by USAC for computation
 - State approved UNE rates for loop and port by zone

- Calculate the Access USF support amount that each participating price cap carrier is eligible for and provides that amount to those carriers by
 - Study Area,
 - Customer Class, and
 - Zone

- Publish the Access USF per line support amounts by study area, customer class, and zone

- Price cap carriers adjust common line rates based on the expected receipts (7/1)

- The monthly per line Access USF support amount is portable among all eligible telecommunications carriers in a study area (by zone and customer class)

Interstate Access USF Data Request

- Quarterly Data Request Information (All Eligible Telecommunications Carriers)
 - Report number of lines by zone by customer class
 - Zone 1 - Residence and single line business
 - Multiline Business
 - Zone 2 - Residence and single line business
 - Multiline Business
 - Zone 3 - Residence and single line business
 - Multiline Business
- Annual Data Request Information (filed April 15 for Price Cap ILECs only)
 - CMT revenue per line
 - State approved UNE rates by zone
 - Loop + port rates
 - UNE zone maps to be provided
- UNE rates and zones will be updated annually effective 7/1 of each year. (Except for the first year reporting a six months recalculation will be processed with UNE zones effective 1/1/01)
- Newly established, updated or changed UNE zones should be filed with USAC on quarterly basis

Interstate Access USF Sale of Exchanges

- Between Price Cap carriers
 - Acquiring carrier receives same level of support per line as selling carrier received until recalculation of the fund occurs
 - Acquiring carrier reports increased quarterly line count data and funds are available for distribution
 - The selling carrier will report less lines
 - For the next annual filing period, adjusted quarterly line counts and CMT revenue per line will be included in each carriers' report and the USAC annual calculation

- Between price cap carrier and non-price cap carrier
 - The access USF support for the sold lines should be removed by USAC to reduce the overall fund requirements.
 - The rural carrier is not entitled to the access USF support
 - Rural carriers will be eligible for high cost USF funds based on current Part 36 rules

Interstate Access USF CLEC Requirements

- Must be ETC certified by state
- Must provide quarterly line count on same schedule as price cap LECs
- Report line count data on 6/30/00 for lines in service 3/31/00
- Receive support funds in August, and each month thereafter

Development of Study Area Current Maximum CMT Revenue per Line

Development of Ratios for Study Area CMT Revenues Based on BFP Revenue Requirement						
Study Areas		Historical BFP Rev. Req.	Source for Col. B	D	E	Source for Col. D
A	B	C				
1 S1	\$177,083,333	1999 ARMIS 43-01 Report	17.71%	Ln 1 / Ln 6B		
2 S2	\$75,520,833	1999 ARMIS 43-01 Report	7.55%	Ln 2 / Ln 6B		
3 S3	\$187,500,000	1999 ARMIS 43-01 Report	18.75%	Ln 3 / Ln 6B		
4 S4	\$299,479,167	1999 ARMIS 43-01 Report	29.95%	Ln 4 / Ln 6B		
5 S5	\$260,416,667	1999 ARMIS 43-01 Report	26.04%	Ln 5 / Ln 6B		
6 Total	\$1,000,000,000	Sum Ln 1 through Ln 5	100.00%	N/A		
Region-wide Data from CAP-1						
F	G	H				
7 Avg. Monthly Access Lines	15,000,000	(CAP-1, Row 130) / 12				
8 Current Maximum CMT Rev. Per Line	\$6.40	CAP-1, row 501				
9 Annualized Region-wide CMT Revenues	\$1,152,000,000	Ln 7 * Ln 8 * 12				
Development of CMT Revenue Per Line by Study Area						
Study Areas	CMT Revenues	Source for Col. J	Avg. Monthly Access Lines	Source for Col. L	CMT Rev. Per Line	Source for Col. N
I	J	K	L	M	N	O
10 S1	\$204,000,000	Ln 9G * Ln 1D	2,000,000	Company record/CAP3 line 1000	\$8.50	Ln 10J / 10L / 12
11 S2	\$87,000,000	Ln 9G * Ln 2D	1,000,000	Company record/CAP3 line 1000	\$7.25	Ln 11J / 11L / 12
12 S3	\$216,000,000	Ln 9G * Ln 3D	3,000,000	Company record/CAP3 line 1000	\$6.00	Ln 12J / 12L / 12
13 S4	\$345,000,000	Ln 9G * Ln 4D	5,000,000	Company record/CAP3 line 1000	\$5.75	Ln 13J / 13L / 12
14 S5	\$300,000,000	Ln 9G * Ln 5D	4,000,000	Company record/CAP3 line 1000	\$6.25	Ln 14J / 14L / 12
15 Total	\$1,152,000,000	Sum Ln 10J through Ln 14 J	15,000,000	(CAP-1, Row 130) / 12	\$6.40	
Notes:						
1. Columns N, J and L, line numbers 10 through 14, are used in the development of the Preliminary Minimum Access USF and Study Area Above Benchmark Revenues.						
2. This work-paper is used only once at the inception of the CALLS plan. For the second year the study area CMT revenue per line is carried forward.						