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BELLSOUTH

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RECEIVED

MAR 21 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Robert T. Blau, Ph.D., CFA
Vice President-Executive and
Federal Regulatory Affairs

202 463-4108
Fax 202 463-4631

March 21, 2000

EX PARTE

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

Re: CC Docket 94-1 (Price Cap Performance Review)
CC Docket 96-45 (Universal Service)
CC Docket 96-262 (Access Charge Reform)
CC Docket 99-249 (Low-Volume Long Distance Users)
CC Docket 96-98

Dear Ms. Salas:

On March 20, 2000, I met with Commissioner Michael Powell and Kyle Dixon, his Legal Advisor, to discuss recent modifications to the CALLS proposal for universal service and access reform. Also attending were other members of the Coalition for Affordable Local and Long-Distance Service (CALLS), including Don Cain (SBC), Leonard Cali (AT&T), Alan Ciamporcero (GTE), Edward Lowry (Bell Atlantic), and Peter Sywenki (Sprint).

Topics discussed included unprecedented reductions in local switching revenues and long distance rates for residential users that would result from the Commission adopting the modified CALLS proposal. Prospects of bringing other telecommunications price cap local exchange carriers into the CALLS coalition also was discussed.

As required by Section 1.1206(b)(2) of the Commission's rules, I am filing two copies of this notice for placement in the record for each of the proceedings identified above.

Sincerely,

Robert T Blau

Attachments

cc: Kyle Dixon

Joel E. Lubin
Federal Government Affairs
Vice President

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1120 20th Street, NW
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February 25, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re:	CC Docket 94-1	Price Cap Performance Review
	CC Docket 96-45	Universal Service
	CC Docket 99-249	Low-Volume Long Distance Users
	CC Docket 96-262	Access Charge Reform

Dear Ms. Salas:

Today, the Coalition for Affordable Local and Long Distance Services ("CALLS") submitted an *ex parte* filing that outlines modifications to its earlier July 29, 1999 proposal. In this letter, I outline the course of action that AT&T will take if appropriate reforms are implemented.

On the condition and understanding that the Commission will provide at least $2.1 billion in usage-sensitive interstate access charge reductions (as calculated in the analyses underlying the plan proposed by CALLS and submitted to the Commission) and elimination of the residential and single-line business presubcribed interexchange carrier charge ("PICC") no later than July 1, 2000, and provided further that interexchange carriers obtain the other benefits specified in the CALLS plan, as modified by CALLS' February 25, 2000 *ex parte* submission, AT&T will take the following steps to ensure that consumers benefit from these critical changes.

First, no later than July 1, 2000, AT&T will eliminate the minimum usage requirement on its residential interstate Basic Schedule for 5 years, although AT&T reserves the right to work with the Commission to revise or eliminate this commitment after 3 years if market circumstances warrant, and this commitment will no longer apply if one or more carriers with a combined market share of at least 10 percent of total

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interstate interexchange revenues is or are permitted to maintain a minimum usage or other flat fee charge on a similar basic schedule or schedules.

Second, no later than July 1, 2000, AT&T will modify its residential domestic interstate Basic Schedule usage rates in conjunction with elimination of the minimum usage requirement, and once it establishes those rates, will not increase those rates for 1 year. In addition, AT&T will notify every residential interstate Basic Schedule customer that these changes are taking place and advise those customers of other AT&T calling plans, including but not limited to the AT&T One Rate Basic plan, that may better serve an individual customer's needs.

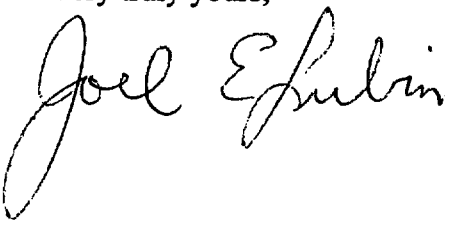
Third, AT&T will maintain the AT&T One Rate Basic plan rate of 19¢ per minute at all times for domestic interstate calls from home, with no monthly recurring charge and no minimum usage requirement, for 1 year from the date it establishes revised Basic Schedule rates.

Fourth, when the residential and single-line business PICCs are eliminated as charges assessed to interexchange carriers, AT&T will eliminate the Carrier Line Charge, which is its PICC recovery mechanism, for these long distance customers.

Fifth, to the extent that AT&T realizes reductions in its access costs as a result of the reforms described above, it will, over the life of the plan, flow those savings through to residential and business customers.

Eight copies of this Notice are being submitted in accordance with Section 1.1206 of the Commission's rules.

Very truly yours,



Sprint

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EX PARTE PRESENTATION

February 25, 2000

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

Re: CC Docket Nos. 96-262, 94-1, 96-45, 99-249

Dear Ms. Salas:

In the event the Commission adopts the access reform plan previously submitted by the Coalition for Affordable Local and Long Distance Service ("CALLS"), together with the modifications submitted by CALLS today, without any further changes, Sprint Communications Co. L.P. ("Sprint") commits to the following:

(1) At such time as the incumbent local exchange carriers eliminate the presubscribed interexchange carrier charge on lines for residential and single-line business customers, Sprint will eliminate its Presubscribed Line Charge for residential and single-line business customers.

(2) Sprint will not impose a minimum usage charge ("MUC") on at least one basic rate plan for the duration of the CALLS plan,[1] provided that if any other interexchange carrier that is now or hereafter a party to the CALLS plan reserves the right to impose a MUC on its basic rate plan prior to the termination of the CALLS plan, Sprint reserves the right to do so as well under similar terms and circumstances.

(3) Sprint will not increase the per-minute usage rates on domestic interstate 1+ calls on its Sprint Standard Weekend plan from July 1, 2000 through July 1, 2001.

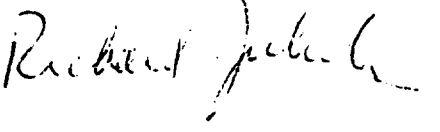
[1] For at least the period July 1, 2000 through July 1, 2001, the Sprint Standard Weekend plan will be its basic plan for purposes of this commitment.

(4) Sprint will send a communication to all its residential customers who are not presently on the Sprint Standard Weekend Plan by July 1, 2000 or as soon as practicable thereafter, informing them, at a minimum, of the Sprint Standard Weekend plan and instructing them how to select that plan (or any other plan also described in the communication).

(5) To the extent Sprint realizes a reduction in access costs from the CALLS plan, Sprint will flow through those savings over the life of the plan to both residential and business customers.

This letter is being filed electronically.

Sincerely,



cc: Lawrence Strickling (via fax)

Modified CALLS Proposal

- Common Line Reform
  - Phased increase in caps on residential, single line business SLCs.
    - $4.35 cap on 7/1/00, increasing to $6.50 on 7/1/03.
    - Primary Res./Single Bus. SLC progressions subject to cost review proceeding after SLC reaches $5.00 in 2001.
  - Maintains current $9.20 cap on multi-line business SLC.
  - Eliminates residential, single line business PICC on 7/1/00.
  - Maintains multi-line business PICC cap of $4.31 on 7/1/00.
  - "Cascades" new SLC revenues to eliminate CCL first, then multi-line business PICC, then reduce multi-line business SLC to or toward parity with residential SLC.
  - Allows geographically de-averaged SLCs once CCL and multi-line business PICC are eliminated.

Modified CALLS Proposal

- Switched Access Reform
  - Price Cap LECs to reduce MOU charges to IXCs by $2.1 billion 7/1/00.
    - Targets common line and switched access reductions from X-factor of 6.5% to traffic sensitive switched access rates until per minute equivalent rate equals $0.0055 for RBOC/GTE, $0.0065 for mid-size companies.
    - Targets additional reductions based on local switching revenues necessary to achieve $2.1 billion MOU reduction on 7/1/00.
  - Interstate X-factor for common line and switched access set equal to inflation rate once target switched access rate is reached, unless company used limited safeguards.
- Special Access Reductions
  - Reduced via application of 3% X-factor in 2000, 6.5% through 2003.
  - Applies only to special access still subject to price regulation.

Modified CALLS Proposal

- Create explicit federal universal service fund to replace $650 million in implicit subsidies currently embedded in interstate access rates.
  - Contributions recovered from end users.
- Regulatory "cease fire" on impacted issues.

AT&T and ILEC Customer Impacts of Proposed CALLS Plan
July 1, 2000

Customer A: ***Zero User***

Minutes of Calling:	0
Monthly Savings:	**$4.68**

Plan	Basic	Basic
Charges	Current	Proposed
Usage	$0.00	$0.00
MUC	$3.00	$0.00
USF	$1.38	$0.00
PICC*	$1.51	$0.00
AT&T Total	$5.89	$0.00
ILEC SLC	$3.50	$4.35
ILEC USF	$0.00	$0.36
Grand Total	$9.39	$4.71

Customer B: ***Light User***

Switch Plan to One Rate Basic

Minutes of Calling:	10
Monthly Savings:	**$2.62**

Plan	Basic	One Rate Basic
Charges	Current	Proposed
Usage	$2.00	$1.90
MUC	$1.00	$0.00
USF	$1.38	$0.16
PICC*	$1.51	$0.00
AT&T Total	$5.89	$2.06
ILEC SLC	$3.50	$4.35
ILEC USF	$0.00	$0.36
Grand Total	$9.39	$6.77

*** Scheduled to Increase to $2.00 in July 2000**

AT&T and ILEC Customer Impacts of Proposed CALLS Plan
July 1, 2003

Customer A: ***Zero User***

Minutes of Calling:	0
Monthly Savings:	**$3.23**

Plan	Basic	Basic
Charges	Current	Proposed
Usage	$0.00	$0.00
MUC	$3.00	$0.00
USF	$1.38	$0.00
PICC*	$1.51	$0.00
AT&T Total	$5.89	$0.00
ILEC SLC	$3.50	$5.80
ILEC USF	$0.00	$0.36
Grand Total	$9.39	$6.16

Customer B: ***Light User***

Switch Plan to One Rate Basic

Minutes of Calling:	10
Monthly Savings:	**$1.17**

Plan	Basic	One Rate Basic
Charges	Current	Proposed
Usage	$2.00	$1.90
MUC	$1.00	$0.00
USF	$1.38	$0.16
PICC*	$1.51	$0.00
AT&T Total	$5.89	$2.06
ILEC SLC	$3.50	$5.80
ILEC USF	$0.00	$0.36
Grand Total	$9.39	$8.22

*** Scheduled to Increase to $2.00 in July 2000**