

**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
	)	
Low-Volume Long Distance Users	)	CC Docket No. 99-249
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	

**REPLY COMMENTS**

BellSouth Corporation, on behalf of itself and its subsidiaries ("BellSouth"), hereby submits its Reply Comments in connection with the Modified Proposal of the Coalition for Affordable Local and Long Distance Service ("CALLS") for interstate access charge and universal service reform.

1. BellSouth, as a member of the Coalition, is one of the joint sponsors of the CALLS proposal. The CALLS proposal is a voluntary option for price cap local exchange carriers ("LECs") that addresses many of the most difficult and complex issues surrounding access reform and universal service in a cohesive and comprehensive manner. The access rate and rate structure adjustments reflect the changing face of the telecommunications market and take into account the economic imperative for more efficient access charge. The universal service fund proposal recognizes the need to provide support for high cost areas, but to do so in an explicit and direct manner.

2. Thus, the CALLS proposal affords the Commission an opportunity to enable price cap LECs to operate more efficiently. Equally important, such efficiency translates into tangible consumer benefits. Among the benefits to be derived from the Modified CALLS proposal are: affordable interstate rates; increased consumer choice; and simplified consumer bills. The Modified CALLS proposal serves the public interest not only because of the immediate consumer benefits but also because the Modified CALLS proposal will create a stable environment for five years that will encourage investment, innovation and competition.

3. The opportunities that the Modified CALLS proposal creates are recognized by a variety of commenters representing a diverse set of interests.<sup>1</sup> Nevertheless, there are some who criticize this or that aspect of the plan and seek to have their ideas substituted for the carefully crafted and balanced proposal that is embodied in the Modified CALLS proposal. The Coalition will address the criticisms of the Modified CALLS plan in its Reply. BellSouth endorses the Coalition's Reply and will not separately respond to the criticisms of the plan here. BellSouth, however, believes it is necessary to address an issue raised in the comments of MCI WorldCom ("MCI").

4. MCI contends that in the event that the Commission extends the deadline by which to act on whether unbundled network elements ("UNEs") can be substituted for special access, the Commission should suspend the Phase I and Phase II pricing flexibility rules for transport services.<sup>2</sup> The Phase I and Phase II pricing flexibility rules are not at issue in the Modified

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<sup>1</sup> See *e.g.*, Cincinnati Bell, 1-2; USTA, 1-2; Qwest, 2; Global Crossings, 12-13; Alliance for Public Technology, CWA, National Association of Development Organizations *et. al.*, 8; Iowa Public Utilities Board, 4; American Petroleum Institute, 2; Enterprise Networking Technical User Association, 1.

<sup>2</sup> MCI at 9, 20-21.

CALLS plan. MCI's attempt to foster its own agenda by attaching irrelevant baggage to the CALLS plan should be soundly rejected by the Commission. Further, the linkage between Phase I and Phase II pricing flexibility and resolution of the UNE proceeding simply does not exist. Pricing flexibility was never predicated on the substitutability of UNEs for special access. MCI's contention amounts to little more than an indirect attempt to obtain reconsideration of the Commission's pricing flexibility order where such reconsideration is time barred by the Communications Act. Thus, the Commission should ignore MCI's recommendations.

5. One further matter requires a brief comment. Consideration of the CALLS proposal, both in its original form and in its modified form, has been an open process subject to a full and robust public debate. Although the plan reflects the efforts and agreement of parties historically having divergent views, the diverse interests of the Coalition members contributed to a plan that is balanced and serves the ultimate beneficiary--the consumer. Moreover, the plan has benefited from the active participation of numerous parties and the submission of public comments. Indeed, this open environment significantly contributed to the development of the Modified plan that was the subject of the comments to which this Reply is addressed.

6. The time is ripe for Commission action. The CALLS plan has been and continues to be subject to public scrutiny. Contrary to the suggestion of at least one commenter, MCI, the Modified CALLS plan is not tied to the outcome of any other proceedings.<sup>3</sup> As made clear by the Coalition, the CALLS proposal stands on its own merits which is precisely the manner in which the Commission should evaluate the plan.

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<sup>3</sup> MCI at 5.

7. The Commission should remain focused on completing the steps necessary that would permit the Modified CALLS plan to go forward. The sooner price cap local exchange carriers can implement the plan, the sooner consumers will be able to reap the plan's benefits.

Respectfully submitted,

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Date: April 17, 2000

**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 17<sup>th</sup> day of April 2000 served the following parties to this action with a copy of the foregoing **REPLY COMMENTS** by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties on the attached service list.

/s/ Juanita H. Lee \_\_\_\_\_  
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