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ATTORNEYS AT LAW

April 17, 2000

**EX-PARTE - VIA ELECTRONIC FILING**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> St., SW  
Washington, DC 20554

Re: In the matter of Coalition for Affordable Local and Long Distance Service  
Modified Proposal, CC Dockets 94-1, 96-45, 96-262, 99-249

Dear Ms. Salas:

On Friday, April 14, 2000, on behalf of the Coalition for Affordable Local and Long Distance Service (CALLS), I spoke with Jack Zinman, Counsel to the Bureau Chief, Common Carrier Bureau. During this conversation, I made the following points, which previously were made in the Memorandum in Support of the Revised Plan of the Coalition for Affordable Local and Long Distance Service, filed March 8, 2000.

The Modified Plan retained the same \$7.00 benchmark for universal service support, notwithstanding the fact that during the five-year period covered by the CALLS plan, the primary residential and single-line business SLC cap does not exceed \$6.50. These two aspects of the CALLS proposal are not inconsistent, but merely reflect the transitional nature of the CALLS proposal.

In the original CALLS proposal, the primary residential and single-line business SLC caps progressed from a maximum of \$5.50 at the outset of the plan to a maximum of \$7.00 by the end of the plan. In the Modified CALLS plan, the primary residential and single-line business SLC cap progression begins at \$4.35 at the outset of the plan, and reaches \$6.50 by the end of the plan. The progression under the Modified plan begins at a lower level and, during the five-year period, remains lower. Under the Modified Plan, the ultimate step in the SLC cap progression, which would have taken the cap to \$7.00, is now outside the window of the plan.

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Because what would have been the ultimate step is now outside the five-year window of the Modified CALLS plan, the Commission should subsequently, when it reviews the amount of interstate access universal service support to be distributed after the end of this five-year transitional period, also consider the interrelated issue of the appropriate SLC cap. The Commission need not resolve this question finally now because, over the next five years, there could be substantial marketplace changes. It is better to leave resolution until closer to the time when any rates and support would actually be in effect.

Simply because the ultimate step is now outside the window of the plan does not mean the Modified CALLS plan is unreasonable. The Commission has a difficult task in developing an appropriate schedule to implement the universal service provisions of the 1996. The Modified CALLS plan significantly advances that implementation, and will give the Commission a much better, real-world basis for making future universal service and primary residential SLC cap decisions.

In addition, continued use of a \$7.00 residential and single-line business line benchmark for universal service support allows the same benchmark to be used for primary and non-primary residential lines. The CALLS plan continues to permit elimination of the distinction between primary and non-primary residential lines in many areas, and use of a single universal service benchmark will make it easier for the Commission to eliminate this distinction entirely in the future.

In accordance with Commission rules, this letter is being filed electronically in each of the above captioned dockets.

Sincerely,

/ s /

John T. Nakahata  
Counsel for the Coalition for Affordable Local and  
Long Distance Service

cc: Mr. Jack Zinman  
Counsel to the Bureau Chief  
Common Carrier Bureau