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May 12, 2000

EX PARTE – Via Electronic Filing

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

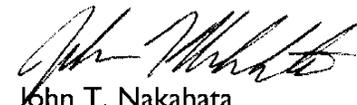
Re: Coalition for Affordable Local and Long Distance Service Proposal –
CC Dockets 96-262, 94-1, 96-45, 99-249

Dear Ms. Salas:

On May 10, 2000, Alan Ciamporcero (of GTE), Joel Lubin (of AT&T), Pete Sywenki (of Sprint), Bob Blau (of BellSouth), Jay Bennett (of SBC), Frank Gumper (of Bell Atlantic), and I (on behalf of the Coalition for Affordable Local and Long Distance Service) met with Commissioner Tristani and Sarah Whitesell, Legal Advisor to Commissioner Tristani. We discussed the points addressed in previous CALLS filings, and in the attached documents.

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

cc: Commissioner Gloria Tristani
Ms. Sarah Whitesell

MODIFIED CALLS PLAN'S CONSUMER BENEFITS

- ***Consumers served by a price cap LECs save on average \$0.65 in combined SLC and PICC Pass-through charges compared to today's rates, and \$1.15 compared to projected July 2000 rates.***
- ***Consumers served by a non-price cap LEC save on average \$1.50 per month, when residential PICCs are eliminated.*** These consumers currently pay PICC pass-through charges of approximately \$1.50 per account, varying somewhat by carrier.
- ***Lifeline consumers pay no SLCs, PICC pass-through or ILEC USF fees.***
- ***Consumers who use long distance services will see long distance bills fall.*** As shown in a study conducted by the Ad Hoc Telecommunications Users Group, higher volume residential long distance users and large businesses pay the same rates for switched calls. Those residential consumers can be expected to see significant benefits from per minute access rate reductions under the CALLS plan.
- ***Minimum Usage Charges eliminated for AT&T Basic Schedule low volume consumers.*** If the Commission adopts an access reform plan that creates \$2.1 billion in usage reductions on July 1, 2000, AT&T will eliminate the \$3 Minimum Usage Charge for each of the multiple tens of millions of American consumers who are AT&T basic schedule customers. These consumers will not have to switch plans or take any action to receive this benefit. The total monthly bill (local and long distance) under the Modified CALLS proposal for the AT&T basic schedule consumer who makes no long distance phone calls will be over \$4 less than under current rules. The AT&T and Sprint commitments, along with Global Crossing and MCI's statements that they also will provide a no-minimum use charge plan, means that low volume consumers will also have a competitive choice among no-minimum plans.
- ***AT&T & Sprint help consumers get on the right plan.*** If the Commission adopts an access reform plan that creates \$2.1 billion in access usage reductions on July 1, 2000, AT&T will notify all Basic Schedule customers informing them of the different plans available. Sprint will notify all its customers of how they can select Sprint's no-minimum plan.
- ***Greater competition and consumer choice.*** Explicit, portable universal service support and limited geographic deaveraging of subscriber line charges reduce barriers to entry in rural areas, and make it more likely that alternative facilities-based providers will enter to provide service in rural and residential markets. Increased competition in rural markets means better service and value for consumers.
- ***Narrow the Digital Divide.*** Companies -- incumbent or entrant -- building new networks in rural areas will build networks capable of delivering high speed broadband services. This will also help rural economic development. The only two rural public interest commenters, the National Association of Development Organizations and the National Grange, support the modified CALLS plan.
- ***Keep interstate rates affordable in rural areas.***
- ***Protect universal service even as IP telephony -- including voice over cable and voice over DSL -- become a reality.***

**MODIFIED CALLS PLAN -- AT&T BASIC SCHEDULE
CALLERS WITH NO LD CALLS**

	Current Rules			CALLS
	January-00	April-00	July-00	July-00
SLC	\$3.50	\$3.50	\$3.50	\$4.35
ILEC USF	\$0.00	\$0.00	\$0.00	\$0.36
LD Usage	\$0.00	\$0.00	\$0.00	\$0.00
MUC	\$3.00	\$3.00	\$3.00	\$0.00
IXC USF	\$1.38	\$0.39	\$0.43	\$0.00
PICC	\$1.51	\$1.51	\$2.00	\$0.00
Total	\$9.39	\$8.40	\$8.93	\$4.71

CALLS Savings	(\$4.68)	(\$3.69)	(\$4.22)
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**MODIFIED CALLS PLAN -- AT&T BASIC SCHEDULE
LIGHT USER SWITCH TO ONE-RATE BASIC**

	Current Rules			CALLS
	January-00	April-00	July-00	July-00
SLC	\$3.50	\$3.50	\$3.50	\$4.35
ILEC USF	\$0.00	\$0.00	\$0.00	\$0.36
LD Usage	\$2.00	\$2.00	\$2.00	\$1.90
MUC	\$1.00	\$1.00	\$1.00	\$0.00
IXC USF	\$1.38	\$0.39	\$0.43	\$0.16*
PICC	\$1.51	\$1.51	\$2.00	\$0.00
Total	\$9.39	\$8.40	\$8.93	\$6.61

CALLS Savings	(\$2.78)	(\$1.79)	(\$2.32)
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Minutes of Calling: 10

* Subject to change to reflect USF contributions