

Memorandum

EX PARTE OR LATE FILED

To: Honorable Susan Ness
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Date: May 22, 2000

File:

Copies: J. Hanley
J. Madjedi
B. Kurashima

From: Jerry Hanley
Vice Provost/Chief Information Officer

Subject: Ex Parte contact in CC Docket Nos. 96-262, 94-1, 99-249 and 96-45

Dear Commissioner Ness:

I am writing about a particular aspect of the pending CALLS proposal. Specifically, Cal Poly objects to retention of the Multi-Line Business Presubscribed Interexchange Carrier Charge (MLB PICC) as a charge levied by long distance carriers. Cal Poly does not object to retention for the time being of the MLB PICC, provided that Local Exchange Carriers (LECs) bill the MLB PICC directly.

The weighted average MLB PICC found in ILEC tariffs is about \$2.50 per line, per month. The MLB PICC levied by major long distance carriers, however, is about \$4.00 per line, per month. The long distance carriers claim that the PICCs that they charge only recover their costs, even though their mark-up exceeds fifty-five percent. Business users, including educational institutions, should not be required to bear this dead weight loss any longer.

To avoid the mark-up and the associated dead-weight economic loss, the pending CALLS proposal should be amended to include a LEC billed Multi-Line Business Super SLC. The MLB Super SLC would be an amount equal to the sum of what would have been the MLB SLC and the ILEC billed MLB PICC. This suggestion would not reduce by one penny the subsidy to residential loops, and would have no adverse revenue impact on any signatory to the CALLS plan if their representations about the MLB PICC are truthful.

Sincerely,

