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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of

Petition of GENESIS COMMUNICATIONS
INTERNATIONAL, INC. for Declaratory
Rulings Affirming Right to Distribution of
Lifeline Assistance Revenues.

CC Docket No. 96-45

**REPLY BY GENESIS COMMUNICATIONS INTERNATIONAL, INC. TO
COMMENTS OF THE NATIONAL EXCHANGE CARRIER ASSOCIATION**

Genesis Communications International, Inc., ("Genesis") hereby submits this brief reply to the comments submitted herein on April 26, 2001, by the National Exchange Carrier Association ("NECA").

Genesis agrees with NECA that, if the Commission determines that Genesis was eligible to receive reimbursement from Lifeline Assistance funds for EUCL charge waivers afforded to end users participating in California's unique universal service program¹ during periods prior to September 1997, the Commission should direct the Universal Service Administrative Company ("USAC"), as the successor to NECA's fund administration obligations and the transferee of the fund balances, to pay the amounts owed to Genesis.

Genesis certainly has no interest or desire to impose any financial hardship on NECA or its members. Genesis' sole interest is to be reimbursed for waiving EUCL charges for

¹ Again, California was the only state to establish a universal service program covered by section 69.104(j) of the Commission's rules (as in effect in September 1997).

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end users served under California's mandatory universal service program. Genesis was billed by its underlying wholesale carrier, Pacific Bell, for the full amount of the EUCL charges, but Genesis waived those charges for eligible end users under a good faith, reasonable belief that it would be held harmless for doing so. Although Genesis was incorrect in its understanding that Pacific Bell, as the provider of the interstate access facilities and services for which the EUCL charges were assessed, was required, in the first instance, to waive those charges in accordance with section 69.104(j), Genesis submits that its mistake was not unreasonable and should not operate as a forfeiture of its right to obtain reimbursement from the Lifeline Assistance fund. Indeed, for the reasons expressed in its petition for declaratory rulings, Genesis was not required by the Commission's rules to obtain individual re-certification of the California universal service program and, therefore, should have been reimbursed on a retroactive basis when it first requested reimbursement in September 1997.

Accordingly, Genesis respectfully urges that the Commission issue the declaratory rulings requested by Genesis in its petition, but with the clarification proposed by NECA in its comments.

Dated: May 10, 2001

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CERTIFICATE OF SERVICE

I, John L. Clark, certify that I have on this 10th day of May, 2001 caused a copy of the foregoing Reply to be served on the parties below via U.S. Mail or overnight delivery:

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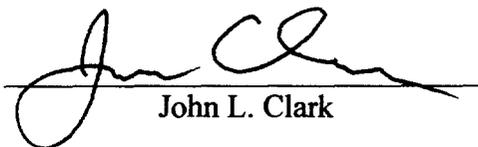
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I declare under penalty of perjury that the foregoing is true and correct. Executed this
10th day of May, 2001 at San Francisco, California.


John L. Clark