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RECEIVED

May 25, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *In the Matter of Access Charge Reform; Reform of Access Charges Imposed by
Competitive Local Exchange Carriers: Seventh Report and Order and Further Notice
of Proposed Rulemaking, CC Docket No. 96-262.*
Ex Parte Meeting

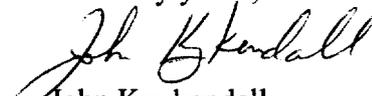
Dear Ms. Salas:

On May 24, 2001, David Cosson and John Kuykendall of Kraskin, Lesse & Cosson, LLP met with Jeffrey Dygert of the Common Carrier Bureau to discuss questions raised by the Rural Independent Competitive Alliance ("RICA") related to the Commission's Seventh Report and Order and Further Notice of Proposed Rulemaking in its Access Charge Reform rulemaking proceeding (CC Docket No. 96-262; FCC 01-146, rel. April 27, 2001) ("Access Charge Seventh R&O").

The discussion included clarifying language and discussing practical implications of the Commission's Access Charge Seventh R&O (see attached CLEC Access Order Clarification Questions and related tariff and RICA member questions). In addition, the discussion included providing Mr. Dygert with a copy of a letter sent by AT&T to a RICA member dated April 20, 2001 (see attached letter).

Please contact me if there are any questions regarding this matter.

Sincerely yours,


John Kuykendall

cc: Jeffrey Dygert

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List A B C D E

CLEC ACCESS ORDER CLARIFICATION QUESTIONS

1. Will there be a separate order, on the *Advantel* referrals or otherwise, regarding the obligations of IXCs to serve customers of CLECs and the reasonableness CLEC rates prior to the effective date of the new rules?
2. Does the Order mean that CLECs with effective tariffs can contract with individual IXCs for different rates, terms and conditions than the tariff without violating sections 202(a) and 203(c)? (Paras. 28, n.71 and 57)
3. Is a Rural CLEC's eligibility to use the Rural Benchmark lost when the competing ILEC changes from a non-rural to a rural carrier?
4. Paragraph 79 appears to limit eligibility for the Rural Benchmark to carriers competing with price cap companies, but Section 61.26(e) only refers to non-rural ILECs and implies in the second sentence that price cap carriers are a sub-division of non-rural. Which is intended?
5. Is there a list of CALLS carriers?
6. Section 61.26(a)(6) is technically correct, but confuses many people, is there a better way to word this provision?
7. Is it correct that Section 61.26(d) does not restrict a CLEC expansion using benchmark rates if that expansion is into non-MSA areas?

CLEC ACCESS TARIFF QUESTIONS

1. How is the “rate charged for such services by the competing ILEC” (61.26 (b)(1)) determined by a CLEC where “rate” is defined as the “composite, per-minute rate for these services, including all applicable fixed and traffic-sensitive charges?” (61.26(a)(5))

Note 7th R&O, para. 54: “...we intend to permit CLECs to receive revenues equivalent to those the ILECs receive *from* IXCs, whether they are expressed a per-minute or flat-rate charges....CLECs shall be permitted to set their tariffed rates so that they receive revenues equivalent to those that the ILECs receive through the presubscribed interexchange carrier charge (PICC), to the extent that it survives in the wake of our *CALLS Order*.” Also, para. 55: “...our benchmark rate for CLEC switched access does not require any particular rate elements or rate structure...does not dictate whether a CLEC must use flat-rate charges or per-minute charges, so long as the composite rate does not exceed the benchmark.”

What justification will be required to establish that rates are within these rules. Can a CLEC have a different rate structure than the ILEC and still show that its rates comply without the demand units for each of the ILECs rate elements for all of the ILEC’s customers? If the ILEC demand units are required, is this information publicly available?

Does the exception of data base query charges from definition of rate as “all applicable fixed and traffic sensitive charges” set forth in footnote 128 apply to other SS7 charges?

2. Does that statement in paragraph 54 that CLECs can recover revenues equivalent to PICC “as long as it survives” contradict the statements cited above that CLECs can have any rate structure they choose?
3. Where a CLEC has end-user customers in more than one ILEC study area, is it required to have separate rate schedules for each area? (7th R&O, para. 51) Will special permission be considered to develop an average rate?
4. Does paragraph 56 imply that separate benchmark calculations must be made for originating and terminating traffic?
5. What is meant by “lowest rate...tariffed” in Section 61.26(b)(ii) in the context of “rate” being defined as a composite? I.e., does a CLEC need to show that its composite rate for all IXC traffic was equal to or higher than 2.5 cents for the preceding six months?
6. Paragraph 57 states that negotiated contracts with particular IXCs may remain in operation. Are CLEC tariffs required to reflect the fact that some IXCs pay lower rates under contract?
7. How will a CLEC establish that it is entitled to use the Rural Benchmark?

RICA MEMBER QUESTIONS AND ANSWERS

1. Q: **Does CLEC qualify for the Rural Benchmark where the ILEC with which it competes was once non-rural, at least in part, but under new ownership is now all rural?**

A: No, the Rural Benchmark is only available to “a rural CLEC competing with a non-rural ILEC” Sec. 61.26(e)

2. Q: **What is the appropriate level of access rates [on effective date of new Sec. 61.26]?**

A: The maximum tariffed rate [negotiated rates are not regulated] is the higher of the ILEC rate or the benchmark rate described in Sec. 61.26(c) (unless the CLEC has charged rates lower than the benchmark in the six months prior to effective date of the rules).

“Rate” is defined as composite, per-minute rate for access, including all fixed and traffic sensitive charges. Sec. 61.26(a)(6)

The benchmark rate is \$0.025 per minute for the first year (declining to the ILEC rate after three years). Sec. 61.26(c)

Therefore, a CLEC eligible for the benchmark can establish any rate structure it wants to, but the bill to the customer cannot exceed a composite of \$0.025/minute.

3. Q: **To which ILEC rates does the CLEC transition?**

A: Those of the current incumbent, previous owner of exchanges is irrelevant.

4. Q: **Will CLEC have a refund obligation to IXCs which paid at current tariffed (NECA) rates if new rates are lower?**

A: Not unless IXCs files a complaint within statute of limitations and proves that CLEC rates were unreasonable.

REC'D APR 26 2001



290 Davidson Avenue
P.O. Box 6742
Somerset, NJ 08875-6742

April 20, 2001

Terry Wegener
Forest City Telecomm
704 E. Main
Lake Mills, IA 50450

Mr. Wegener,

This letter is to formally notify you that due to the unprecedented growth and complexity in the CLEC industry, AT&T has chosen a third-party to negotiate and transmit CARE on AT&T's behalf. AT&T is currently utilizing NeuStar Inc to perform this service and will use NeuStar's CARE Clearinghouse to exchange CARE data with all CLEC's effective June 2001.

AT&T has selected NeuStar as the third party provider to streamline the CARE process and believes a clearinghouse approach will benefit all carriers. To support this initiative, AT&T requests Forest City Telecomm start preparing now to join the CARE Clearinghouse for a June implementation date.

A NeuStar representative will contact you soon to explain how the Clearinghouse can simplify your CARE operations and answer any questions you have about the service. AT&T and NeuStar will work with you to ensure a smooth transition to the Clearinghouse. For more information about the NeuStar CARE Clearinghouse service, visit www.neustarcare.com.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Resker".

Betsy Resker
AT&T
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A handwritten signature in cursive script that reads "Tamara Würdack".

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