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July 27, 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 Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256*
Federal-State Joint Board on Universal Service, CC Docket No. 96-45
Ex Parte Meeting

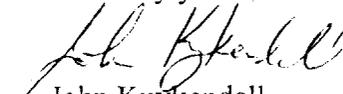
Dear Ms. Salas:

On July 26, 2001, Rick Vergin of Chibardun Telephone Cooperative, President of the Rural Independent Competitive Alliance ("RICA"), two RICA Board members, David Schmidt of Heart of Iowa Telephone and Carl Turnley of Louisiana Competitive Telecommunications, and RICA's counsel, David Cosson and John Kuykendall of Kraskin, Lesse & Cosson, LLP, met with Katherine Schroder, Carol Matthey, Jack Zinman and Eric Einhorn of the Common Carrier Bureau to discuss issues raised by RICA in its Comments and Reply Comments submitted on February 26, 2001 and March 12, 2001, respectively, in the above-captioned matter.

The discussion included (see Nos. 2 & 3 of the attachment), the effect that the adoption of the MAG proposal would have on the rural benchmark set forth in the Commission's Seventh Report and Order in its Access Charge Reform rulemaking proceeding; allowing Rural LECs to add CLEC lines to their study areas to avoid distorting the make/buy analysis; and recommending that universal service support should not be withheld while gathering and publishing USAC data.

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

Sincerely yours,


John Kuykendall

cc: Katherine Schroder
Carol Matthey
Jack Zinman
Eric Einhorn

Attachment

RURAL INDEPENDENT COMPETITIVE ALLIANCE

TALKING POINTS JULY 26-27, 2001

1. CLEC Access Charge Order/ FNPRM
 - a. Basically sound, reasserts IXC obligation to pay tariff rates and sets rural benchmark above urban
 - b. Reconsideration needed of a few points
 - (1) Rural Benchmark available when competing with any Price Cap ILEC
 - (2) Rural Benchmark should include NECA carrier common line rate
 - (3) Rural Benchmark should be available "to the extent" CLEC serves rural area.
 - (4) Rural Benchmark should remain equivalent to pre-MAG levels
 - (5) Rural Benchmark should be available in new-MSAs
 - (6) AT&T should be found in violation of Section 203 and 214
 - c. Clarification is needed as to:
 - (1) How to compute effective per-minute ILEC rate.
 - (2) Whether contract rate to one customer can be different from tariff rate to others
 - (3) How to compute effective rate where CLEC service area includes multiple ILECs, i.e., can average be used where effective is increase in some portions?
 - (4) Does a settlement agreement for unpaid charges at less than tariff rates violate Section 203?
 - (5) If so, can it be remedied by filing complaints and then asking for dismissal when agreement is reached?
 - (6) To what extent are PICC charges permitted in addition to benchmark rates?
 - d. The benchmark rates should continue to apply to access provided to 8YY traffic
 - (1) There is no cost difference between 8YY and other 1+ access
 - (2) Rural CLECs do not have sharing agreements with customers nor excessive percentages of 8YY traffic
 - (3) Fraudulent generation of access minutes should be subject to enforcement action

2. MAG–Access Reform for Rate of Return ILECs

- a. If access revenues are replaced in part by universal service support, both should be considered in computing Rural CLEC benchmark
- b. Rural LECs should be allowed to add CLEC lines to their study areas to avoid distorting make/buy analysis

3. Rural Task Force Order

- a. Agree with Competitive Coalition regarding need for USAC to gather and publish data clearly showing support available in each geographic area. However, RICA realizes that this is a difficult undertaking, so that support should not be withheld pending completion.
- b. A conceptual basis for determining when unregulated carriers are in compliance with Section 254(e) must be articulated in order that carriers can make the required certifications.