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July 30, 2001

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JUL 30 2001

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 July 27, 2001, Rick Vergin of Chibardun Telephone Cooperative, President of the Rural Independent Competitive Alliance ("RICA"), RICA Board member David Schmidt of Heart of Iowa Telephone, and RICA's counsel, David Cosson and John Kuykendall of Kraskin, Lesse & Cosson, LLP, met with Jordan Goldstein, legal advisor for Commissioner Michael Copps, to discuss issues raised by RICA in its Petition for Reconsideration and/or Clarification of the Commission's Seventh Report and Order in the above-captioned proceeding ("Seventh R&O").

RICA representatives emphasized that RICA strongly supports the basic conclusions of the Seventh R&O and requests reconsideration only in certain areas to ensure that the objectives identified by Commission are actually achieved. Among the items discussed (see attachment) were the need to revise the eligibility criteria of the rural benchmark from Rural CLECs competing with non-rural carriers to Rural CLECs competing with price cap carriers; the need to revise the rural benchmark to include NECA carrier common line charge; and the need for the rural benchmark to remain equivalent to pre-MAG levels.

The discussion also included informing Mr. Goldstein of RICA's position set forth in its comments submitted in response to the Commission's Further Notice of Proposed Rulemaking in CC Docket No. 96-262 that the Commission should continue the same status for interstate access service provided for 8YY traffic as other types of interstate switched access and that, should the Commission nevertheless determine to establish separate access rates for 8YY traffic, such limitation should apply only to LECs with agreements to share access revenues with end users.

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

Sincerely yours,


John Kuykendall

cc: Jordan Goldstein

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LIST A B C D E

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.