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ATTORNEYS AT LAW

September 14, 2001

**EX PARTE – Via Electronic Filing**

Ms. Magalie Roman Salas  
Secretary  
Federal Communication Commission  
The Portals  
445 12th Street, SW  
Washington, DC 20554

Re: CC Docket Nos. 96-45, 98-77, 98-166 and 00-256

Dear Ms. Salas:

The attached letter was sent to Ms. Jane Jackson and Ms. Katherine Schroder today.

In accordance with FCC rules, a copy of this letter and the attachments are being filed electronically in each of the above-captioned dockets.

Sincerely,



John T. Nakahata  
*Counsel for AT&T, GCI and Western Wireless*

Attachment

c: Kyle Dixon, Legal Advisor to the Chairman  
Matthew Brill, Legal Advisor to Commissioner Abernathy  
Jordan Goldstein, Senior Legal Advisor to Commissioner Copps  
Sam Feder, Legal Advisor to Commissioner Martin  
Dorothy Attwood, Chief, Common Carrier Bureau  
Carol Mattey, Deputy Chief, Common Carrier Bureau  
Rich Lerner, Deputy Chief, Competitive Pricing Division, Common Carrier Bureau  
Bill Scher, Attorney, Accounting Policy Division, Common Carrier Bureau

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September 14, 2001

Ms. Jane E. Jackson  
Chief, Competitive Pricing Division  
Common Carrier Bureau  
Federal Communication Commission  
445 12th Street, SW  
Washington, DC 20554

Ms. Katherine Schroder  
Chief, Accounting Policy Division  
Common Carrier Bureau  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: CC Docket Nos. 96-45, 98-77, 98-166 and 00-256

Dear Ms. Jackson and Ms. Schroder:

On behalf of AT&T, GCI and Western Wireless, enclosed please find a chart summarizing our estimates of the average access rate impact and High Cost Fund III aggregate size, were the Commission to implement the access charge and universal service reforms contained in the Rural Consumer Choice Plan. The attached chart provides estimates for both NECA and non-NECA non-price cap LECs.

If you should have any questions regarding the attached material, please do not hesitate to contact me at (202) 730-1320.

Sincerely,



John T. Nakahata  
Counsel for AT&T, GCI and Western Wireless

Attachment

c: Kyle Dixon, Legal Advisor to the Chairman  
Matthew Brill, Legal Advisor to Commissioner Abernathy  
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Bill Scher, Attorney, Accounting Policy Division, Common Carrier Bureau

## RURAL CONSUMER CHOICE PLAN -- ESTIMATES OF HCF III USE SUPPORT AND AVERAGE ACCESS RATES (2001)

	Current : July 01 - June 02 Data & Increase SLC Caps		Plus Reallocate GSF Costs		Plus Shift Information Surcharge, TIC & Marketing to CL		Plus Shift LS Ports to Common Line	
	Non-NECA LECs	NECA LECs	Non-NECA LECs	NECA LECs	Non-NECA LECs	NECA LECs	Non-NECA LECs	NECA LECs
CCLC revenue at current SLCs	\$24,320,176	\$498,937,009	\$23,850,462	\$484,775,137	\$27,725,321	\$706,927,602	\$32,634,371	\$847,861,955
(SLC cap increases)*	\$18,796,802	\$438,468,156	\$18,796,802	\$438,468,156	\$22,419,519	\$469,279,316	\$22,419,519	\$469,279,316
Average CCL at full CALLS Order SLC caps	\$0.0033	\$0.0017	\$0.0030	\$0.0013	\$0.0031	\$0.0066	\$0.0060	\$0.0105
HCF III - Common Line	\$5,523,374	\$60,468,853	\$5,053,660	\$46,306,981	\$5,305,802	\$237,648,286	\$10,214,852	\$378,582,639
Non-transitional CCLC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ATS Rate without HCF III - Local Switching	\$0.02026	\$0.03016	\$0.02009	\$0.02988	\$0.01526	\$0.02299	\$0.01244	\$0.01819
Average Transport Rate	\$0.00589	\$0.00710	\$0.00586	\$0.00705	\$0.00583	\$0.00700	\$0.00583	\$0.00700
Average TIC Rate	\$0.00427	\$0.00653	\$0.00424	\$0.00648	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Average Info. Surcharge Rate	\$0.00042	\$0.00016	\$0.00041	\$0.00015	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Average Local Switching Rate (No HCF III Local Switching)	\$0.00968	\$0.01637	\$0.00958	\$0.01620	\$0.00945	\$0.01599	\$0.00662	\$0.01119
HCF III - Local Switching	\$128,154,428	\$275,389,545	\$126,347,319	\$271,986,094	\$124,109,307	\$267,771,094	\$73,486,188	\$172,550,179
Average Local Switching Rate (with HCF III - Local Switching)	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025
Total HCF III (Common Line and Switching)	\$133,677,802	\$335,858,398	\$131,400,979	\$318,293,075	\$129,415,109	\$505,419,380	\$83,701,040	\$551,132,818
ATS Rate	\$0.0131	\$0.0163	\$0.0130	\$0.0162	\$0.0083	\$0.0095	\$0.0083	\$0.0095

INPUT:	Non-NECA LECs	NECA LECs	GSF reduction		Marketing shift	
Chargeable CCL minutes	1,696,048,009	35,986,574,152				
Chargeable LS minutes	17,853,769,320	19,852,781,974				
LS shift percentage (i.e. Port Cost)	30%	30%				
LS target rate	\$0.0025	\$0.0025				
REVENUE IMPACTS:	Current revenue		GSF reduction		Marketing shift	
	Non-NECA LECs	NECA LECs	Non-NECA LECs	NECA LECs	Non-NECA LECs	NECA LECs
CCL	\$24,320,176	\$498,937,009	-\$469,714	-\$14,161,872	\$575,165	\$11,799,721
Local transport	\$105,122,328	\$140,899,666	-\$572,660	-\$975,225	-\$538,655	-\$917,316
TIC	\$76,271,303	\$129,590,217	-\$526,694	-\$896,945	-\$495,418	-\$843,684
Local switching	\$172,788,851	\$325,021,500	-\$1,807,109	-\$3,403,451	-\$2,238,012	-\$4,215,000
Information surcharge	\$7,480,237	\$3,196,291	-\$143,397	-\$270,070		
SLC RATES:	Current SLC Caps		Proposed SLC Caps		Number of Lines	
Residence & Single-Line Business	\$3.50	\$3.50	\$6.50	\$6.50	497,765	10,390,095
Multi-Line Business	\$6.00	\$6.00	\$9.20	\$9.20	108,002	2,452,437

\* Assumes all SLCs are increased to the caps or to BFP, as applicable.

Information Surcharge -- "[A] rate element by which carriers recover the costs of white pages directory expenses. It applies to all interstate access switched minutes of use." CALLS Order fn