Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of		
	)	
National Exchange Carrier Association, Inc.	)	DA 02-3062
Petition to Amend Section 69.104 of the	)	
Commission's Rules	)	

COMMENTS OF TDS TELECOMMUNICATIONS CORPORATION

TDS Telecommunications Corporation (TDS Telecom), on behalf of its 111 incumbent local exchange carriers (ILECs), submits these comments in support of the National Exchange Carrier Association (NECA) petition for rulemaking.

Introduction

The NECA petition for rulemaking asks the Commission to amend Section 69.104 of its rules, the section that determines the application of End User Common Line (EUCL) charges, (also known as "Subscriber Line Charges" or "SLCs). NECA asks that Section 69.104 be amended to permit an ILEC to apply no more than five EUCLs to a customer-ordered exchange assess service. This service is provisioned by using a digital, high capacity T-1 or DS-1 (1.544 Mbps) facility and terminates in channelized equipment provided by the end user customer.

TDS TELECOM's service arrangement is called Digital Transport Service (DTS). DTS provides 24 voice grade channels between the telephone company switch located at the customer's serving wire center and the customer's end user premise. DTS may be provisioned over one or two copper cable pairs by using High Bit Rate Subscriber Line (HDSL), T1 carrier or fiber optic technology. The technology chosen will depend on the available outside plant facilities between the serving wire center and the customer's premise.

Discussion

I. In the FCC Docket 97-158, the Commission amended Section 69.152 of the Rules and authorized the Price Cap carriers to apply no more than five EUCLs to each Integrated Services Digital Network (ISDN) Primary (PRI) service arrangement. The Commission recognized the need to align cost recovery with the manner in which those costs are incurred. The cost data provided by several Regional Bell Operating Companies (RBOCs) showed a five to one relationship between the non-traffic sensitive (NTS) costs to provide a PRI or standard analog service between the serving wire center and the customer premise. Paragraph 120 of Docket 97-158 states: "The record does not contain sufficient information to enable us to determine the relative NTS costs of derived channel services other than ISDN. We therefore limit our discussion to BRI and PRI ISDN service." It goes on to say:

> Unless a subscriber orders ISDN or another service that requires derived channel technology, we see no reason to vary from our general rule that the incumbent LEC should charge one SLC for each channel regardless of how it is provisioned.

II. In the MAG order (CC DOCKET NO. 00-256 Released on November 8, 2001), the Commission authorized the Rural LECS to apply no more than five EUCLs to ISDN RI service, which is consistent with the way the Price Cap Carriers charge their ISDN customers, as required in Docket 97-158.

III. Because the NTS costs are the same for either service, it seems reasonable that no more than five EUCLs should be applied to either ISDN PRI or DTS service. TDS believes the NECA Petition demonstrates that the central office termination and the outside plant facility

NTS costs of DTS and ISDN PRI service are similar. Consequently, in order to align cost recovery with cost causation, the application of EUCLs should be the same for either ISDN or DTS.

Due to advances in customer-premise equipment technologies, more customers now request digital interfaces between their termination equipment and the local exchange carrier's switching facilities. In some cases, the customer may not require all of the capabilities of an ISDN PRI service and could be more efficiently served by a channelized 1.544 Mbp DTS service. The customer should not be required to pay more SLCs for using the same facilities performing the same function at the same NTS costs as what is provided to ISDN customers.

PRI service is not available in all rural central offices serving wire centers due to the vintage of the switching equipment or the insufficiency of demand to justify the cost of the necessary software. DTS can be used in place of PRI in many applications, such as delivering Direct Inward Dialing trunks to a customer's terminal equipment. However, the large disparity in the EUCL charges between the ISDN PRI and DTS services discourages customers from ordering the service. As demonstrated by NECA, a business customer served by an ILEC with a EUCL rate of $9.20 would be charged $46.00 ($9.20 x 5) plus a Port Charge of $23.51 for a total of $69.51 for an ISDN PRI service. If the same customer ordered DTS, the EUCL charge would be $220.80 ($9.20 x 24) or $151.29 more per month than for ISDN PRI service.

TDS believes the information provided by the NECA Petition for Rulemaking demonstrates that the NTS costs for DTS are similar to ISDN PRI. DTS is a service the customer will need to order from the ILEC in order to qualify for a EUCL charge other than one per voice channel.

Conclusion

TDS believes NECA has shown that the Petition for Rulemaking to Amend Section 69-104 of the FCC Rules should be granted. TDS supports the application of no more than five EUCLs to a customer-ordered 1.544 Mbps digital facility connecting the customer's serving wire center with the customer's premise and terminated in customer-provided terminal equipment.

Respectfully submitted,

TDS TELECOMMUNICATIONS CORPORATION

By: /s/Margot Smiley Humphrey
Margot Smiley Humphrey

HOLLAND & KNIGHT LLP
2099 Pennsylvania Ave., NW
Suite 100
Washington, D.C. 20036
(202) 457-5915

December 2, 2002

CERTIFICATE OF SERVICE

I, Vicki Redman, employee of Holland & Knight LLP, 2099 Pennsylvania Avenue, Suite 100, Washington, D.C. 20006, do hereby certify that a copy of the foregoing Comments Of TDS Telecommunications Corporation was served on this 2nd day of December, 2002, via hand delivery or via U.S. mail, to the following parties:

Richard A. Askoff, Esq.
National Exchange Carrier
Association, Inc.
80 South Jefferson Road

Qualex International Portals II, 445 12th Street S.W.
CY-B402, Washington, D.C. 20554 .

Pricing Policy Division
Wireline Competition Bureau
445 12th Street, S.W.
Washington, D.C. 20554
Attn: Jeremy D. Marcus

/s/Vicki Redman

*Via Hand Delivery