

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
National Exchange Carrier Association, Inc.	)	RM-10603
Petition to Amend Section 69.104 of the	)	
Commission's Rules	)	

**REPLY COMMENTS OF TDS TELECOMMUNICATIONS CORPORATION**

TDS Telecommunications Corporation (TDS Telecom), on behalf of its 111 incumbent local exchange carriers (ILECS), submits these reply comments in support of the National Exchange Carrier Association (NECA) petition for rulemaking. 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 the Commission to open a rulemaking proceeding looking towards amending Section 69.104 to permit an ILEC to apply no more than five EUCLs to a customer-ordered exchange access 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, in the same manner as primary rate interface (PRI) Integrated Services Digital Network (ISDN) services. Accordingly, it should receive the same treatment as PRI ISDN for purposes of assessing end user common line (EUCL or SLC) charges.

AT&T Corp. (AT&T) is concerned with the possible shift of revenue from end user charges to access charges or support mechanisms. The FCC's MAG Order<sup>1</sup> requires implementation of the phase-out of the common line access charge on July 1, 2003, when the SLC caps reach their maximum level. This phase-out will reduce the common line charge applied to interstate access to zero.

TDS Telecom agrees with AT&T that the costs incurred in providing service should be born by the cost-causer. This is precisely the point of NECA's petition. A customer with DTS is required to pay a disproportionate amount of EUCL charges compared to the cost incurred by the facility providing DTS. A customer served by 24 individual loops incurs more facility costs than a customer served by one or two loops. Therefore, following the principle of recovering the cost from the cost-causer, a customer that is served by DTS should be assessed a lesser number of EUCLs than a customer served by 24 individual loops.

AT&T comments that cost support was not provided in the NECA petition. Integrated Services Digital Network Primary (ISDN PRI) and DTS both use a 1.544 megabit bandwidth loop facility between the serving wire center and the customer premise. In the MAG order, the Commission amended the rules to authorize the application of five EUCLs to ISDN PRI service. ALLTEL, NCTA, OPASTCO, TDS and USTA have all commented that DTS uses the same loop facilities as ISDN PRI. The cost recovery method provided for ISDN PRI should also apply to DTS. Since NECA simply requests that the Commission open a rulemaking, the notion that

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<sup>1</sup> *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, Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate of Return Regulation, CC Docket No. 98-77, Prescribing the Authorized Rate of Return for Interstate Services of Local Exchange Carriers, CC Docket no. 98-166, Second Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 00-256, Fifteenth Report and Order in CC Docket No. 96-45, and Order in CC Docket Nos. 98-77 and 98-166, 16 FCC Rcd 19613 (2001) (MAG Order).*

there is not enough cost support is out of place. The Commission can and should reasonably rely on its decision in the MAG order and open a proceeding to end the disparate treatment of functionally equivalent services.

TDS Telecom believes that the inequity in the number of EUCLs assessed to a customer served by DTS versus ISDN should be eliminated, and no more than five EUCLs should be applied to either ISDN PRI or DTS. Equitable treatment of the two services will more closely match the EUCL revenues assessed to a service to the cost incurred by the service.

TDS TELECOMMUNICATIONS CORPORATION

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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 Reply Comments Of TDS Telecommunications Corporation was served on this 16th day of December, 2002, via hand delivery or via U.S. mail, to the following parties:

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