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PLEASE REPLY TO:
TALLAHASSEE

November 21, 1996

HAND-DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

Re: Docket No. 920260-TL

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and fifteen copies of the Post-Hearing Statement and Post-Hearing Brief of the Florida Interexchange Carriers Association in the above docket. I have also enclosed a 3.5 inch high density computer diskette containing the enclosed post-hearing statement and brief. The document was prepared using WordPerfect 5.1 and is titled Brief.Red.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman

Vicki Gordon Kaufman

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12526 NOV 21 96
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILED

In re: Comprehensive Review of the)
Revenue Requirements and Rate)
Stabilization Plan of Southern)
Bell Telephone and Telegraph)
Company)
_____)

Docket No. 920260-TL

Filed: November 21, 1996

POST-HEARING STATEMENT

AND

POST-HEARING BRIEF

OF

THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION

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Carriers Association**

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PRELIMINARY STATEMENT

Pursuant to rule 25-22.056, Florida Administrative Code, the Florida Interexchange Carriers Association (FIXCA), files its Post-Hearing Statement of Issues and Positions and its Post-Hearing Brief.¹

BACKGROUND

In January 1994, four dockets which were then pending involving the Commission's investigation of certain practices of BellSouth, as well as a review of its overearnings, were settled² by the numerous parties involved in the litigation.³ The settlement was approved by the Commission in Order No. PSC-94-0172-FOF-TL.

The terms of the settlement required BellSouth to make a series of rate reductions over a three-year period. During each phase of the required rate reductions, some of the reductions were specifically set out in the settlement. For

¹ The following abbreviations are used in this brief. The Florida Public Service Commission is referred to as the Commission. BellSouth Telecommunications, Inc. is referred to as BellSouth. The Joint Proposal refers to the proposal sponsored by AT&T Communications of the Southern States, Inc. (AT&T), MCI Telecommunications Corporation (MCI), Sprint Communications Company, Limited Partnership (Sprint), FIXCA, Florida Ad Hoc Telecommunications Users Committee (Ad Hoc) and McCaw Communications of Florida, Inc. (McCaw).

² The dockets that were settled were: Docket No. 910163-TL (investigating the integrity of Southern Bell's repair service activities and reports); Docket No. 900960-TL (investigating Southern Bell's non-contact sales procedures); Docket No. 910727-TL (investigating Southern Bell's compliance with the Commission's rebate rules); and Docket No. 920260-TL (a review of Southern Bell's revenue requirements and rate stabilization plan).

³ Southern Bell and the Office of Public Counsel filed a Stipulation and Agreement on January 5, 1994 and the other parties to the docket filed an Implementation Agreement on January 12, 1994.

example, there was a required reduction in pay telephone rates in 1994. The settlement also provided for certain amounts not specifically allocated in the settlement to be disposed of by the Commission after the parties submitted proposals and the Commission conducted a hearing.

This proceeding deals with the last of the unspecified reductions in the amount of \$48 million. Once the Commission disposes of this last portion of the reduction required by the settlement, it will have little further authority over BellSouth's rates and charges.

SUMMARY AND OVERVIEW OF ARGUMENT

The Joint Proposal in this case has been sponsored by numerous parties. The Joint Proposal allocates the required unspecified reduction in the following ways:

- \$11 million to reduce rates for BellSouth's PBX trunks and for DID service offerings associated with PBX trunk services;
- \$2 million to reduce the usage rates for BellSouth's mobile interconnection services;
- \$35 million to eliminate the Residual Interconnection Charge (RIC).

Because the majority of the Joint Proposal deals with access charge reductions, FIXCA will concentrate its comments in that area. Of the proposals filed, the Joint Proposal is the preferable one because it will have the effect of providing the most benefits to the largest body of ratepayers. Long distance service is a service used by all manner of ratepayers for a variety of reasons. It is, in essence, an ubiquitous service and

access reductions will benefit a broad base of consumers.

As the Commission is well aware, and as the testimony in this proceeding demonstrated, access charges are significantly above cost and have been so for a very long time. The Commission should use this opportunity to achieve access reform now. Significantly, this is probably the Commission's last chance to attempt to ameliorate the inflated access charges which have plagued the telecommunications industry for more than a decade. Only when access charges move closer to cost-based rates will consumers see the kind of choice envisioned by both the state legislature and Congress.

Further, the main benefits of the Federal Telecommunications Act of 1996 (Act) can only be realized when all carrier charges, including access, are cost-based. The Act holds the promise of the development of competitively drawn local calling areas. Such competition will lead to expanded local calling areas where providers will respond to the needs of customers in the marketplace so as to win customers from BellSouth. However, these areas will not develop if the rates competitors must pay to use BellSouth's network depend on whether BellSouth labels a call as a local call or a toll call. For there to be competition, access and interconnection charges must be the same.

Finally, the Common Carrier Line Charge (CCLC) is the rate element which is most responsible for intrastate access rates exceeding interstate access rates. The Commission should allow the specified access reduction which went into effect on October 1, 1996, pursuant to the Stipulation, to remain in place to reduce this charge.

The Commission should then use a portion of the unspecified reduction to eliminate the Residual Interconnection Charge (RIC). As the Commission itself has recognized, this charge has no cost basis and should be eliminated as quickly as possible.

The Commission should reject outright BellSouth's proposal to strategically price access service by selectively reducing rates without any underlying cost justification. The Commission should also reject the remainder of BellSouth's proposal because it is a heavy-handed effort to attempt to strategically position BellSouth in the marketplace with monies BellSouth obtained from monopoly services, such as access, and is obligated to return to ratepayers.

ARGUMENT

ISSUE 1

BELOW ARE LISTED THE PROPOSALS OF VARIOUS INTERESTED PARTIES TO THIS PROCEEDING WITH RESPECT TO THE DISPOSITION OF THE SCHEDULED 1996 UNSPECIFIED RATE REDUCTIONS. WHICH, IF ANY, SHOULD BE APPROVED?

A) BellSouth:	<u>millions</u>
1) Reduce switched access (introduce zone density)	\$16.40
2) Reduce PBX rates and introduce term contracts	13.45
3) Waive certain business and residential Secondary Service Order charges	5.81
4) Reduce First Line Connection charge (Business)	3.22
5) Introduce Area Plus for Business	2.25
6) Eliminate usage charge on Remote Call Forwarding	2.01
7) Reduce DID recurring and non-recurring charges	1.88
8) Credit for ECS routes implemented	1.10
9) Reduce Business Line monthly rates in Rate Group 12	.62
10) Reduce Megalink interoffice rates	.58
11) Reduce WATS and 800 Service access line charges	.36
12) Eliminate the Secondary Service Order charge for WatsSaver	.30
13) Reduce SNAC charges for Business	.07
14) Reduce DS-1 interoffice mileage rates	<u>.04</u>
	\$48.09
 B) Joint Proposal of AT&T, MCI, Sprint Communications, FIXCA, Ad Hoc and McCaw Communications:	
	<u>millions</u>
1) Reduce PBX and DID trunk charges	\$11.00
2) Eliminate the Residual Interconnection Charge	35.00
3) Reduce mobile interconnection rates	<u>2.00</u>
	\$48.00
 C) Public Counsel:	
Establish a reserve fund to assist BST customers who have experienced problems with conversion to the 954 NPA.	
 D) FCTA:	
Eliminate nonrecurring charges for interconnection trunks and special access circuits ordered by ALECs.	

- E) **Palm Beach Newspapers, Inc./Florida Today:**
Reduce usage rates for N11 service to \$.02 per minute.

FIXCA: *The Joint Proposal of AT&T, MCI, Sprint, FIXCA, Ad Hoc and McCaw should be approved. This proposal calls for an access charge reduction, through the elimination of the RIC, which will move BellSouth's carrier charges toward a cost basis and hasten the benefits of the federal Act.*

I.

The Importance of Access Reductions

A. The Federal Act

With the passage of the federal Act access reductions become more important than ever so that the full benefits of the Act can be realized. It is beyond dispute that when the federal Act is fully implemented, it will, as Congress intended it to, fundamentally change the way that telecommunications services are packaged and priced. (Tr. 109). Critical to the success of this new framework are cost-based access charges. Such cost-based charges are necessary to achieve "full service competition" where companies can offer packages of services and where distinctions between "local" and "toll" calls become unimportant.⁴ (Tr. 109).

BellSouth itself has recognized this. In comments filed with the Federal Communications Commission (FCC), the United States Telephone Association (USTA),

⁴ One example of the disappearing difference between local and toll is BellSouth's ECS service. However, as FIXCA has previously pointed out, the problem with this service is that only BellSouth can offer it due to excessive access charges. (Tr. 109). This situation would be further exacerbated by BellSouth's Area Plus proposal.

of which BellSouth is a member, said:

Ultimately, the 1996 Act contemplates a competitive endpoint where the pricing of local interconnection is not dependent upon the identity of the interconnecting entity, e.g. an IXC, a CAP, a CLEC, a CMRS provider or an information service provider.

FCC Docket 96-98, USTA Comments at 3. In the same FCC docket, BellSouth itself said:

The [Federal Communications] Commission should take a comprehensive view leading to a common model for interconnection that is not based on classification of carriers as LECs, IXCs, CMRS providers, or ESPs.

FCC Docket 96-98, BellSouth Comments at 63. (Tr. 111-112).

The way to ensure that consumers have a variety of telecommunications packages to choose from is to correctly price access/interconnection service. Correct pricing requires that the cost to terminate a call not depend on any BellSouth retail classification (like local or toll). (Tr. 110). There must be non-discriminatory termination rates so that carriers can design their services as they see fit to meet the demands of the marketplace. Therefore, as BellSouth recommended to the FCC, this Commission should institute a cost-based pricing system which does not discriminate between types of calls.

In addition, the Commission should recognize that since the signing of the Stipulation in this case, the federal Act has dramatically changed the telecommunications landscape. Because the Act envisions an integrated local/toll market, where all carriers compete, it is no longer the price of interstate access that is the target for intrastate access but rather the interconnection charge. (Tr. 117).

B. Local Competition

One of the main avenues envisioned by the Act for the development of local competition is resale. However, cost-based access charges are needed for resale to be economically viable. (Tr. 113). Access charges affect resale of wholesale services because BellSouth remains the access provider, even for customers who choose to subscribe to a reseller. Thus, unless access pricing policies are changed, BellSouth would still continue to receive substantial profits from a customer whose retail business it has lost. That is, BellSouth will continue to market the most profitable service--"skimming the cream." Competition will never be able to develop on this basis. (Tr. 113).

C. Operational Efficiencies

The continued distinction between "local" and "toll" also creates operational inefficiencies. In order to maintain this artificial distinction, competitors would have to adopt BellSouth's definition of local calling and BellSouth would have to implement systems so it could correctly assess these charges. Such a system would result in unnecessary costs for both BellSouth and new entrants. (Tr. 112). This inefficient system is not conducive to competition and should not be sanctioned by the Commission.

Additionally, the inflated pricing of access retards the full utilization of IXCs' networks because of the high prices IXCs must pay to carry calls. These high prices depress both additional customer calling and the introduction of innovative services

by carriers.⁵ (Tr. 113-114).

Further, high access charges distort the economics of local entry. Such high charges may encourage entrants to build facilities where other forms of entry (like resale discussed above) make more sense. (Tr. 154).

As BellSouth's Mr. Hendrix said, BellSouth has no plans to reduce access any further than the amount set out in its proposal. Exhibit 13, Hendrix deposition at 48. If access charges are to come down, the Commission must require BellSouth to make the reduction.

II.

How to Accomplish Access Reductions

A. The CCLC

The Stipulation provides that intrastate access rates must be at parity with interstate access rates by October 1, 1996. This is a specified reduction. Order No. PSC-94-0172-FOF-TL at 18-19. This reduction has been accomplished by the access tariff BellSouth filed in which it reduced the Common Carrier Line Charge (CCLC). This

⁵ While some contend that competition will drive access prices down, this is not the case. Most elements of switched access, especially terminating access, are not subject to competitive pressure because the IXC's switched access provider will be the end-user's local telephone company. This is the case even if the customer has a choice among local telephone companies. Particularly important is the fact that "non-competitive" access elements make up more than 95% of BellSouth's access charge. (Tr. 115). The FCC has recognized the lack of competitive alternatives for access: "In contrast to transport, for which some alternatives exist, alternatives for termination are not likely to exist in the near term. A carrier or provider typically has no other mechanism for delivering traffic to a called party served by another carrier except by having that called party's carrier terminate the call." FCC 1st Report and Order, ¶ 1040.

tariff was approved by the Commission on an interim basis in Order No. PSC-96-1244-FOF-TL.

The interstate parity which this reduction achieved should be left in place by the Commission for two reasons. First, the CCLC is the rate most responsible for intrastate rates exceeding interstate rates for access services. (Tr. 119). Because the terminating CCLC is the access rate element most at odds with the parity obligation, it should be permanently reduced to meet this goal. (Tr. 120).

Second, the CCLC was originally created by the FCC, and then copied by the Commission, so that BellSouth would receive the same revenues from long distance services after divestiture as it received when it provided long distance services itself. This policy has depressed the long distance calling of those who are sensitive to price, has caused consumers who make relatively more long distance calls to subsidize those who do not, and has required IXCs to transfer money from the long distance market to BellSouth. (Tr. 121).

In today's environment, where both residential and business users rely heavily on long distance service, such social engineering is no longer reasonable. The social policy of continuing to artificially raise long distance prices make little sense in today's world. (Tr. 121).

B. The RIC Should be Eliminated

The Commission should use the unspecified portion of the required reduction to eliminate the RIC. As pointed out by many witnesses, the RIC has no cost basis. For example, Mr. Guedel said:

The incremental cost [of the RIC] is zero. In other words, a 10% increase in demand for the RIC would result in a zero percent increase in BellSouth's costs. The RIC is a pure contribution element, a tax if you will, levied by BellSouth on all interexchange carriers purchasing BellSouth's local switching access service.

(Tr. 152).

The Commission itself has recognized that the RIC is an obsolete element. The Commission described the RIC in Docket No. 950985-TP and noted that it has no place in a price regulated environment. The Commission said:

The RIC is a charge created by the FCC when it restructured interstate local transport rates. When the rates were restructured, local transport and tandem switching rates were lowered. To compensate for the lost revenue, the RIC was implemented as a rate element to recover these revenues. When intrastate local transport rates were restructured in Florida, a similar rate was established for interstate toll. . . .

. . .

. . . the RIC was established to recover the shortfall between the overall local transport revenue requirement and the revenues generated by the new and lower transport and tandem switching charges. . . .

BellSouth states that the collection of the RIC was a revenue requirement issue. . . .

We disagree with BellSouth's arguments. The collection of the RIC is no longer a revenue requirement issue. BellSouth is no longer rate base regulated; it is price regulated. Revenue requirements are a concept only applicable under rate base regulation; they are neither consistent with nor relevant to price regulation.

Order No. PSC-96-0445-FOF-TP at 18-19.

In a subsequent interconnection order, the Commission went further and stated

that the RIC should be eliminated as soon as possible:

Although we are not eliminating the RIC in this proceeding, we do not believe the long run public interest is served when all competitive local carriers are collecting the RIC from IXCs. We believe that none of them should collect it. The RIC should be phased out as soon as possible in the course of the switched access reductions required by Section 364.163(6), Florida Statutes.

Order No. PSC-96-0668-FOF-TP at 26, emphasis supplied. Based on these past Commission orders, it is fitting that the Commission use this opportunity to eliminate the RIC--a charge which it has already found should be abolished.

BellSouth's Mr. Hendrix argues (incredulously) that there are costs recovered by the RIC. However, BellSouth is well aware that these arguments are totally inaccurate. Mr. Hendrix was the BellSouth witness in the local transport docket, Docket No. 921074-TP. In the order approving tariffs (including BellSouth's) in that docket, the Commission required the pricing and structure of local transport to accurately reflect the underlying cost structure and further required that prices be set to recover incremental costs and provide a contribution to joint and common costs. Order No. PSC-96-0099-FOF-TP at 2. As to the RIC, the Commission said:

The RIC is a non-cost based residual element designed to allow the LECs to remain revenue neutral

Id. at 3, emphasis added. BellSouth's local transport tariff was approved pursuant to these criteria. For BellSouth to now claim that the RIC recovers costs must be rejected as totally inconsistent with its representations and this Commission's order.

The RIC is a non-cost based element. The Commission should eliminate it.

C. **Why Should the Bulk of the Required Rate Reduction Be Used to Reduce Access Charges?**

BellSouth would have the Commission believe that the IXCs are just greedy in seeking a substantial portion of the required unspecified reduction for use in lowering access charges.⁶ BellSouth says the IXCs have already gotten enough and that BellSouth is being generous in even suggesting that any additional monies go toward access reductions.⁷

However, BellSouth forgets to tell the Commission that its actual cost of providing access service is less than \$.0025 per access minute of use and may even be as low as \$.002 or less. Even with the \$40 million reduction that is in place, the price of switched access remains at 12 to 15 times its actual cost. That is, BellSouth marks up access services above cost at least 1100% and possibly as much as 1400%. (Tr. 151). And IXCs have been paying these inflated prices (and more) for over a decade. Thus, IXCs are the parties who have contributed in large measure to BellSouth's overearnings. As Mr. Gillan said:

I recognize that [adoption of the Joint Proposal] would mean that access reductions will receive a large share of the final reduction, but this is *only because* access has provided a disproportionate share of BellSouth's profits since their inception.

(Tr. 116, emphasis in original). The benefit of the reductions should accrue to

⁶ Of course, BellSouth's argument ignores the fact that IXCs must flow through the reduction. Order No. PSC-96-1265-FOF-TP.

⁷ The \$16.4 million that BellSouth proposes for access charge reductions is designated for its zone pricing proposal, which FIXCA and other IXCs oppose.

ratepayers whose payments were the source of BellSouth's overearnings. (Tr. 174). Thus, it is only fair that the required reduction be used to reduce these inflated charges. And it must be remembered that even with the elimination of the RIC sought here, access will still be seriously overpriced in excess of BellSouth's cost. (Tr. 118, 152).

Therefore, since this will be essentially the Commission's last opportunity to move access prices closer to cost,⁸ it should do so in this proceeding.

D. Zone Density Access Pricing Should Not Be Adopted

As an initial matter, the Commission has recognized that the RIC which BellSouth wants to deaverage in its zone pricing proposal should not even exist. As discussed above, the RIC has no cost basis whatsoever. Thus, there can be no differential to "provide" it between the zones. A plan that would vary the price for such a non-cost element is discriminatory on its face. (Tr. 157). Rate deaveraging that has no basis in cost is a move away from efficient cost-based pricing which this Commission should not sanction. (Tr. 172).

BellSouth is simply attempting to manipulate this non-cost element to maintain its market dominance. (Tr. 123). As Mr. Wood observed:

The BST proposal appears to be a strategic attempt to establish a rate structure for switched access that will perpetuate existing rate/cost distortion, shield BST from competitive pressures, and help to ensure that it retains monopoly control over the various components of switched

⁸ The Commission should remember that under Florida law, BellSouth will have the ability to increase access prices. Section 364.051(6), Florida Statutes (1996).

access service. It is not an effective step toward a rational switched access rate structure. . . .

. . .

. . . the BST proposal represents a step backward and away from the switched access rate structure that will most benefit Florida toll consumers over the long run.

(Tr. 163-164, emphasis in original).

BellSouth makes no pretense about the reason for its zone pricing proposal. It says:

Zone pricing of these elements will allow BellSouth to strategically establish prices that meet competitive pressures in the more dense areas of Florida.

(Tr. 29, emphasis supplied). Thus, BellSouth is not returning the required reductions to the ratepayers but rather is attempting to use the monies it agreed to return to strategically position itself in the marketplace.

Further, BellSouth admits its zone pricing proposal is not based on any cost studies. When asked this very question in discovery, BellSouth admitted that no cost studies had been done to support its proposal. Exhibit 15, Request No. 7.⁹

⁹ AT&T Request No. 7:

List each and every cost study or other memorandum or document and any associated analysis . . . that supports:
a) the concept of zone pricing of switched access service.

. . .

BellSouth response:

. . . BellSouth performed no zone specific cost studies.

III.

BellSouth's Proposal Should Be Rejected

The Commission should not approve BellSouth's proposal for the required rate reduction. The primary purpose of the reduction should be to benefit ratepayers and not BellSouth. As Mr. Wood said:

Strategic rate changes designed primarily to provide present and future financial benefits to BST shareholders at the expense of existing ratepayers do not comply with this principle.

(Tr. 174).

BellSouth suggests that its proposal will "provide benefits to a broad base of Florida customers" (Tr. 47) and that the proposal is in response to customer requests.¹⁰ (Tr. 54). The evidence demonstrates otherwise.

The proposal that BellSouth has made is merely a thinly-veiled attempt to better position itself in the market at the expense of its competitors. BellSouth has chosen price cap regulation to meet its competitive needs. (Tr. 155). It should not be permitted to use the money it agreed to refund for its own strategic gain.

BellSouth's strategic purpose is clear from even a brief review of its proposal. For example, BellSouth has proposed to waive the Secondary Service Charge when subscribers order any one of a number of vertical services. (Tr. 48). Each of these

¹⁰ The claim of "customer requests" was refuted by Mr. Metcalf who testified that the large users he represents never asked for the BellSouth proposal. (Tr. 82). When BellSouth's Mr. Varner was pressed at his deposition to supply the names of customers making the requests to which BellSouth "responded," he was unable to do so. Exhibit 7, Varner deposition at 14.

vertical services generates a significant margin and the more subscribers, the more revenue to BellSouth shareholders. (Tr. 175). Under BellSouth's proposal, "[e]xisting ratepayers have provided the funds and will receive no benefit, while BST shareholders will put no funds at risk but will receive all of the future benefits." (Tr. 176). The same is true of BellSouth's proposal to eliminate the Secondary Service Charge for its WatsSaver service. (Tr. 176).

Similarly, BellSouth's proposed long-term contracts are nothing more than an attempt to lock up customers for a long period of time before they can benefit from the competitive proposals of other providers. BellSouth has tied the availability of these contracts to the acceptance of a long term arrangement. (Tr. 81).¹¹ As Mr. Metcalf, who represents the large users, testified:

. . .BST's proposal unfairly holds hostage refunds, which are rightfully due to these customers, to a scheme that would now deny these customers the fruits of local competition.

(Tr. 81).

There is nothing wrong with a company reducing prices to become competitive, and in fact, companies in the marketplace continually do this. BellSouth, however, seeks to do it with money that should be used to benefit the ratepayers who financed BellSouth's overearnings in the first place. It should not be permitted to use the settlement reductions it agreed to make for its own competitive advantage. If

¹¹ BellSouth witness Varner said that BellSouth is not attempting to lock up the market. However, he also admitted that customers on the long-term contracts will have to pay a termination fee to void the contract and sign up with another provider. Exhibit No. 7, Varner deposition at 17.

BellSouth feels competitive pressure to reduce its prices, it should do so, and receive less revenue, just like any other competitive firm. However, under no circumstances should BellSouth be permitted to count such revenues against its settlement obligations. (Tr. 123). If BellSouth is permitted to use past overearnings to provide benefits in areas where it experiences or expects to experience competition, BellSouth will have a distinct (and unwarranted) advantage in the marketplace financed by funds that it is obligated to return. (Tr. 179).

ISSUE 2

TO THE EXTENT THE COMMISSION DOES NOT APPROVE THE PLANS PROPOSED BY BELLSOUTH, PUBLIC COUNSEL, FCTA, PALM BEACH NEWSPAPERS, INC./FLORIDA TODAY AND AT&T, MCI, SPRINT, FIXCA, AD HOC AND MCCA, HOW SHOULD THE COMMISSION IMPLEMENT THE SCHEDULED RATE REDUCTION?

FIXCA: *The Commission should approve the Joint Proposal. However, if it does not, it should focus the reduction on services that are priced in excess of cost and should ensure that any reductions are not anticompetitive and do not benefit BellSouth through the strategic pricing. *

The Joint Proposal should be approved by the Commission. It will help promote the competition envisioned by the federal Act. If the Commission does not approve the Joint Proposal, it should focus the reductions on services that are priced in excess of cost and that will not be influenced by competition in the future. BellSouth should not be permitted to use the refund money to strategically price its own services.

ISSUE 3

WHAT SHOULD BE THE EFFECTIVE DATES OF THE APPROVED TARIFFS?

FIXCA: *The tariffs should be effective as soon as possible but no later than January 1, 1997.*

The Commission should put this last reduction into place as quickly as possible but no later than January 1, 1997.

CONCLUSION

This may well be the Commission's last opportunity to bring access charges closer to cost and the Commission should do so. The Commission should use this opportunity to reduce the CCLC and to eliminate the non-cost based RIC. Such action will ensure that consumers have more choices and bring consumers one step closer to the competitive environment envisioned for telecommunications.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FIXCA's Post-Hearing Statement and Post-Hearing Brief has been furnished by hand delivery* or by U.S. Mail to the following parties of record, this 21st day of November, 1996:

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