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Before the
FEDERAL COMMUNICATIONS COMMISSION
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RM 8389

In the Matter of)
)
The National Exchange)
Carrier Association, Inc.)
Proposed Revision of)
Part 69 of the)
Commission's Rules to)
Allow for Incentive)
Settlement Options for)
NECA Pool Companies)

Statement Support Petition for Rulemaking

Century Telephone Enterprises, Inc. (Century) submits its comments in response to the National Exchange Carrier Association, Inc.'s (NECA's) Petition for Rulemaking filed with the Federal Communications Commission on November 5, 1993.¹ Century is a diversified telecommunication company operating approximately 420,000 access lines through 33 Local Exchange Companies with operations in 15 states. In the Petition, the NECA is seeking the addition of incentive regulation options to the NECA pools. Century supports this position. NECA's proposal would enhance the Commission's regulatory incentive plans by enabling local telephone companies additional alternatives to rate of return regulation and price cap regulation.

¹Comments Invited on The National Exchange Carrier Association, Inc. Petition for Rulemaking, Public Notice, Report No. 1986, Associate Managing Director Public Information and Reference Services Petitions for Rulemaking Filed, released November 16, 1993.

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NECA proposes to offer its pool participants two incentive settlement options. One, the "Pool Profit Sharing Incentive Option," is an incentive option that would allow NECA pool study areas to settle with the pools based on formulas that resemble the Optional Incentive Regulation Plan. The second, the "Pool Small Company Incentive Option," is an option available only to Subset III companies with fewer than 50,000 lines. Both options have some attributes of average schedule formulas.

NECA's proposed rule revisions would allow the Association to offer incentive settlement options within its pools, similar to those adopted by the Commission for non-pooling companies. NECA pool members' participation in optional incentive plans would benefit ratepayers through increased efficiency, and under one of the incentive plans, through profit sharing. Century agrees that these incentive plans should be optional so that pool members could continue to choose cost pooling or average schedule status.

Century applauds the proposal's other pool efficiency measures, including streamlined procedures for new service offerings and pricing flexibility within the NECA tariff structure. Companies currently experience delays in introducing new services because of detailed data requirements needed to develop cost-supported rates. The moderate pricing flexibility that NECA proposes also should enable pool companies to be more responsive to customer needs. In addition, Century notes that NECA's proposal strives to attain revenue-neutral pricing flexibility for the pools, similar to those available to participants in the Optional Incentive Regulation Plan.

In summary, Century supports NECA's proposed amendments to Part 69 of the Commission's rules to bring incentive options which the Commission has already adopted for non-pool members into the NECA pool. Century strongly encourages the Commission to grant NECA's petition and expeditiously initiate a rulemaking proceeding to implement NECA's proposed rules.

Respectfully submitted,

Century Telephone Enterprises, Inc.

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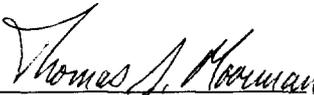
Date: December 16, 1993

Certificate of Service

I, Thomas J. Moorman, do hereby certify that on this 16th day of December, 1993 a copy of the foregoing "Statement Supporting Petition for Rulemaking" of Century Telephone Enterprises, Inc. in RM 8389 were mailed, first class postage prepaid to the individuals listed below.

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