

18. The cost studies for determining the existence and amount of cross subsidies supporting rates for basic service should be handled in the OANAD proceeding.

19. An interim decision may be needed in this proceeding as to where the cost studies for high cost areas should be handled.

20. The Commission should adopt as the reference or benchmark the LECs' existing basic service revenues for calculating the high cost GSAs.

21. The Commission should periodically review the subsidy amounts to determine if the subsidies for high cost areas should be reduced.

22. The incumbent LECs should be required to serve and be designated the COLRs in all their service areas until such time that another carrier or carriers are designated as the COLR.

23. Other qualified providers may seek to become a designated COLR in a particular GSA, or to compete in a GSA without being designated as a COLR.

24. Only the designated COLR or COLRs will be entitled to draw from the high cost voucher fund.

25. A carrier who wants to become a designated COLR shall file a NOI as set forth in proposed Rule 6.D.

26. A designated COLR may opt out as the designated carrier as set forth in proposed Rule 6.D.6.

27. In the event the last designated COLR wants to be relieved of its COLR obligation, then the Commission or its designee will conduct an auction in accordance with proposed Rule 6.E. to determine who the new designated COLR should be.

28. If a COLR has been designated through the auction mechanism, all carriers who are interested in serving as a designated COLR upon expiration of the term shall file an NOI in accordance with proposed Rule 6.E.3.

29. Criteria, such as that contained in proposed Rule 6.D.4., should be adopted as to which carrier is qualified to be a designated COLR.

30. The Commission proposes to adopt the net trans account system as the funding mechanism for high cost areas.

31. All telecommunication services providers subject to our jurisdiction should be required to contribute to this net trans account.

32. The Commission should administer the high cost voucher mechanism.

33. The Commission should modify the existing ULTS program so that the subsidy is available to those local exchange providers who serve low income customers with basic exchange services.

34. To ensure the competitive neutrality of the ULTS customer subsidy, the CLC should not be allowed to collect a subsidy in excess of what the incumbent LEC receives on a per customer basis.

35. All local exchange providers who offer basic service to low income customers should be required to abide by proposed Rule 5.

36. The AEUS for the ULTS program should be continued at least as an interim measure to assure that income eligible customers have access to affordable basic service.

37. The Commission should require all local exchange providers offering residential basic service to abide by proposed Rule 7.

38. The requirements imposed on GTEC and Pacific in D.94-09-065 should continue to apply so long as they retain market power.

39. The CLCs should be required to include in their annual reports their efforts to attain universal service for non English speaking and low income people in the communities that the CLCs serve, similar to what the Commission directed Pacific and GTEC to do in D.94-09-065.

40. The LECs should not be granted any additional recovery for stranded investments.

**INTERIM ORDER**

**IT IS ORDERED** that:

1. The June 23, 1995 motion of the California Department of Consumer Affairs (DCA) is granted. DCA's comments and recommendations regarding the universal service OIR/OII shall be filed by the Docket Office as of the date DCA's motion was filed.

2. Parties are directed to file opening comments on the proposed rules with the Commission's Docket Office, and to concurrently serve a copy of their filed comments on the service list for this proceeding as set forth in the ALJ Ruling of May 11, 1995. The comments shall be limited to no more than 50 pages, including attachments, and indicate in a clear and focused manner any additions, deletions, clarifications or modifications they believe are appropriate in the proposed universal service rules. Opening comments shall be filed on or before September 1, 1995.

3. Parties shall state in their opening comments whether other issues pertaining to universal service need to be addressed, and whether they believe evidentiary hearings will be required to resolve any of the issues associated with the proposed rules. Any party which believes that changes or additions to the proposed rules are appropriate, but that no evidentiary hearings are required, should clearly set forth in its comments any additional information they believe the Commission should consider before adopting rules.

4. Parties which believe evidentiary hearings are warranted are directed to present in their opening comments a proposed schedule for conducting discovery, preparing written testimony, holding hearings, and filing briefs to resolve the disputed issues.

5. The Commission will hold a full panel hearing in connection with the proposed universal service rules on September 29, 1995 beginning at 9:00 a.m. in San Francisco. Parties interested in speaking at the full panel hearing must contact either Brian Roberts or Cory Texeira of the Commission's Advisory and Compliance Division (CACD) at (415) 703-2334 or 703-2901, respectively, by September 1, 1995.

6. Public participation hearings will be held at different locations throughout the state in the September and October timeframe. The dates and times will be announced in an Assigned Commissioner's ruling and published in the Commission's Daily Calendar. The respondent local exchange carriers in whose service territories the public participation hearings (PPHs) are to be held, shall be required to mail bill inserts to its customers informing them of the PPHs once the dates and locations are finalized in the Assigned Commissioner's ruling.

7. Reply comments to issues raised in the opening comments and to issues raised at the full panel hearing, and the public participation hearings, may be filed on or before December 1, 1995. The reply comments shall not exceed 25 pages, including attachments.

This order is effective today.

Dated July 19, 1995, at San Francisco, California.

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
Commissioners

APPENDIX A  
Page 1

PROPOSED UNIVERSAL SERVICE RULES

1. DEFINITIONS

- A. All End User Surcharge (AEUS): A funding mechanism used to collect money for Commission-mandated programs. The AEUS is applicable to all telecommunications providers, with the exception of one-way paging companies. The surcharge is a percentage of the customers' total expenditures on telecommunications services. The surcharge is visible on customers' bills as a line item charge.
- B. Basic Service: A certain defined minimum level of telecommunications service available to virtually everyone in each telephone exchange. Sometimes referred to as basic exchange service.
- C. California High Cost Fund (CHCF): A fund established by the Commission to ensure that customers in areas served by small and mid-size LECs have access to telephone services at reasonable rates. The Commission collects money for the fund through an AEUS and distributes it to the small and mid-size LECs based on the individual need of the companies as authorized by a Commission resolution.
- D. Carrier of Last Resort (COLR): A local exchange service provider that stands ready to provide basic service to any customer requesting such service within a specified area. To be a COLR, the provider must meet Commission-approved qualifications.
- E. Census Block Group: An area defined by the United States Census Bureau which serves as the geographic service area.
- F. Common Carriage: Provision of telecommunications services available to the public on a non-discriminatory basis.
- G. Competitive Local Carrier (CLC): A common carrier which has been issued a Certificate of Public Convenience and Necessity to provide wireline local exchange telecommunications service for a geographic area specified by such carrier.
- H. Competitive neutrality: The idea that all telecommunications service providers should be required to contribute to and be allowed to receive subsidies from the universal service programs on an equitable basis.

**APPENDIX A**

**Page 2**

- I. Geographic Study Area (GSA): A Commission designated geographic area that will serve as a reference point from which cost data and high cost subsidies can be derived for the designated carrier or carriers of last resort.
- J. High Cost Voucher Fund: the fund developed in this proceeding to subsidize high cost areas of the state. The fund includes a collection mechanism, a distribution mechanism, and a method for calculating the amount of the required subsidy.
- K. Local Exchange: A telecommunications system providing service within a specified area within which communications are considered exchange messages except for those messages between toll points.
- L. Local Exchange Carrier (LEC): The incumbent carrier or carriers whose names appear on Attachment A of these rules.
- M. Loop: A transmission path capable of delivering analog voice grade signals or digital signals at less than 1.544 Mbps between the network interface at a customer's premises and the main distribution frame or any other point of interconnection to the LEC network. Also known as the basic level network access channel.
- N. Net Trans Account: A funding mechanism which may be used to collect money for the Commission's high cost voucher fund. Under this mechanism, the Commission bills carriers a percentage of their transmission path revenues after netting out the carrier's access charges and contributions to universal service.
- O. Open Access Network Architecture Development (OANAD): Order Instituting Rulemaking and Order Instituting Investigation (R.93-04-003 and I.93-04-002) to govern access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.
- P. Proxy Costs: Geographically specific costs developed using proxy factors rather than direct measurement of costs.
- Q. Proxy Factor: Factor associated with costs, such as loop length or population density, which can be used to estimate costs when direct measurement is unavailable or impractical.
- R. Rate Cap: Upper limit or a ceiling level on prices.
- S. Total Service Long Run Incremental Costs (TSLRIC): The definition of TSLRIC that is developed in the OANAD OIR/OII.

APPENDIX A  
Page 3

- T. Transmission path revenues: A carrier's revenues from local service, intraLATA toll, interLATA toll, mobile telephone calls, access, interconnection and collocation payments received, reseller payments, private lines and high capacity business services, transmission services for information providers, packet switched transmission services, transmission parts of integrated systems packages, basic Centrex services and central office switching functions.
  - U. Universal Lifeline Telephone Service (ULTS): The ULTS program is a statewide explicit customer subsidy that ensures low income households have access to basic telephone services at a fixed and affordable rate. The ULTS program was created in response to the Moore Universal Telephone Service Act which became law in September, 1983. The ULTS program is sometimes referred to as Lifeline.
  - V. Universal Service: The provision of basic service to virtually everyone in California at reasonable rates.
  - W. Voucher: A mechanism used to distribute a credit to a customer or customers in connection with the Commission's universal service funding programs. The credit to the customer is based on the difference between the cost of serving the customer and the rate deemed affordable by the Commission.
2. SCOPE OF RULES  
These rules govern universal service to California telecommunications users. For the purposes of funding universal service, these rules apply to all California telecommunications carriers. For the purpose of providing universal service, these rules apply to all California telecommunications carriers providing basic service.
3. UNIVERSAL SERVICE PRINCIPLES AND OBJECTIVES
- A. Principles:
    - 1. It is the policy of the Commission to ensure that high-quality basic telecommunications services remain available and affordable to all Californians regardless of linguistic, cultural, ethnic, physical, geographic, or income considerations.
    - 2. It is the policy of the Commission to provide for the progressive expansion of the definition of basic service as service capabilities advance and the need for advanced services ubiquity becomes prevalent, in order to avoid information rich and information poor stratification.

APPENDIX A  
Page 4

3. It is the policy of the Commission to ensure that consumers have access to information needed to make timely and informed choices about basic service and ULTS.
4. It is the policy of the Commission to provide consumers with the ability to choose among competing basic universal service providers regardless of the technologies employed by competing firms.
5. It is the policy of the Commission to ensure that universal service providers adhere to interconnectivity, interoperability, common carriage, reliability, privacy and security guidelines;
6. It is the policy of the Commission to provide incentives for efficient provisioning of universal services, and which will reduce the aggregate subsidy required for universal service over time.
7. It is the policy of the Commission to provide a competitively neutral universal service mechanism which will minimize market distortions. The mechanism must provide for competitive provisioning of basic service, access to universal service funds, and a funding source which is broad-based and sustainable.

B. Objectives:

1. It is the objective of the Commission to develop a fully operable, competitively neutral universal service financing source and distribution mechanism no later than January 1, 1997. The funding mechanism must provide efficiency incentives to significantly reduce the aggregate subsidy required for universal service over time.
2. It is the objective of the Commission to adopt universal service policies which allow education, health care, community and government institutions to be in a position that allows them to be early recipients of the benefits of the information age;
3. It is the objective of the Commission to improve the penetration rate of basic service to non-English speaking and low income households by means of the following mechanisms:

APPENDIX A

Page 5

- a. All LECs and CLCs shall be responsible for pursuing the objective of achieving a 95% penetration rate among low income and non-English speaking households in their service territories.
- b. LECs and CLCs shall have the flexibility to develop innovative strategies to contribute to the attainment of this objective.
- c. LECs and CLCs shall submit the required annual reports describing their efforts to attain this objective.
- d. In service territories where there is a substantial population of non-English speakers, a carrier's efforts to communicate with such customers in their native languages shall be a factor that the Commission considers in assessing each local carrier's contribution to pursuit of universal service targets.

4. BASIC SERVICE

- A. Carriers providing residential service shall, at a minimum, provide all elements of basic service.
- B. Basic service includes the following services:
  1. access to single party local exchange service;
  2. access to interexchange carriers;
  3. ability to place and receive calls;
  4. touch tone dialing;
  5. free access to emergency services, 911/E911;
  6. access to directory assistance;
  7. lifeline rate for eligible customers
  8. customer choice of flat or measured rate service;
  9. access to directory assistance;
  10. access to a directory listing;
  11. access to operator services;

**APPENDIX A**  
**Page 6**

12. voice grade connection to public switched telephone network;
13. access to information services and 800 services;
14. one-time free blocking for information services and one time billing adjustments for charges incurred inadvertently, mistakenly, or that were unauthorized;
15. access to telephone relay service as provided for in PU Code § 2881;
16. access to public policy pay telephones;
17. free access to customer service for information about ULTS, service activation, service termination, service repair and bill inquiries.

C. Periodic Review of Basic Service

1. Parties may petition for a new review of the composition of basic service three years after the conclusion of a review of basic service. The adoption of final universal service rules in this proceeding (R.95-01-020 and I.95-01-021) will constitute the first review of basic service. The petition for modification shall be filed on or before the 180th day before the review date.
2. In evaluating whether services should be added to or deleted from basic service the Commission will consider the following criteria:
  - a. the service is essential for participation in society;
  - b. a substantial majority, 65%, of residential customers subscribe to the service;
  - c. the benefits of adding the service outweigh the costs;
  - d. availability of the service, or subscription rates would not increase without intervention.
3. Providers will maintain and make available to the Commission upon request sufficient information for the Commission to determine whether the above criteria have been satisfied.

APPENDIX A

Page 7

5. UNIVERSAL LIFELINE TELEPHONE SERVICE (ULTS)

A. Carrier Responsibilities

1. All carriers providing basic service will have access to the ULTS fund.
  - a. Carriers are required to inform customers of the option for ULTS service when customers first inquire or sign up for basic exchange service.
  - b. Carriers must charge no more than the statewide ULTS rate, as set by the Commission, to qualifying low income customers.
  - c. Carriers may collect the difference between their tariffed rate for other residential customers and the Lifeline rate from the ULTS fund, but they may not collect more on a per customer basis than the incumbent LEC.
  - d. Carriers must serve each eligible customer requesting Lifeline service within the carriers' specified serving area.

B. ULTS Funding Source

1. All telecommunications carriers are required to charge the appropriate surcharge, as set by the Commission, on all end users of telecommunications services.
2. End users of one-way paging companies are excluded from the collection of the surcharge.
3. Carriers shall submit the number of customers who sign up for the ULTS program to CACD's Telecommunications Branch on a monthly basis.

6. THE HIGH COST VOUCHER FUND

A. Identifying The Cost To Serve High Cost Areas

1. High cost voucher fund subsidies will vary according to the cost of providing service within a GSA.
2. The GSA is used for the purposes of identifying the cost of providing universal service to a particular area. A census block group shall serve as the GSA.

**APPENDIX A**

**Page 8**

3. Total Service Long Run Incremental Cost (TSLRIC) will serve as the measure of costs for providing basic service to residential customers. The methodology for determining the TSLRIC will be developed as part of this proceeding and the OANAD proceeding.
4. Costs for providing customers with basic service in individual GSAs will be determined by factors which serve as proxies for the characteristics associated with costs, including, but not limited to, population density and average loop length. The methodology for determining proxy costs and the initial proxy factors will be developed in this proceeding and the OANAD proceeding.
5. Small and medium sized LECs can:
  - a. develop TSLRIC studies of their own; or
  - b. select the proxy costs developed by one of the large LECs.
6. A GSA will be considered a high cost GSA if the average cost of serving residential customers in that GSA is above the average revenue generated by the LEC offering basic service in that particular GSA.
7. Subsidy amounts will be reviewed periodically. This review will consider the amount which subsidies should be reduced due to efficiencies gained through technological advances and competitive pressures.

**B. Carrier Responsibilities**

1. Carriers shall report the following information to CACD's Telecommunications Branch on a monthly basis:
  - a. The number of residential basic exchange customers being served by the carrier in each GSA.
  - b. The rate for basic exchange service the carrier is charging in each GSA.
  - c. A calculation of the subsidy amount that the carrier should receive for providing basic exchange service to the high cost areas.

**APPENDIX A**

**Page 9**

C. Subsidy Applicability

1. The high cost voucher fund will apply only to residential basic services priced at the tariffed rate in high cost GSAs.
2. The Commission will periodically review the subsidy in each GSA.

D. Carrier of Last Resort

1. All incumbent LECs will be designated as the COLR in all their service areas at least until such time that another carrier or carriers are designated as the COLR.
2. Other qualified providers may seek to become a designated COLR, or to compete in a GSA without being designated a COLR.
3. Only designated COLRs will have access to the high cost voucher fund subsidy.
4. Those carriers seeking to be designated a COLR shall file a Notice of Intent to be Designated a COLR (Designated COLR NOI). The Commission will consider the following factors when evaluating whether COLR status should be granted:
  - a. the facilities the carrier has in place or the arrangements that the carrier plans to enter into in order to provide local service;
  - b. the financial ability of the carrier to undertake the COLR obligation;
  - c. the ability of the carrier to promote the goals of universal service in low income and non-English speaking communities.
5. A designated COLR will be required to serve the entire GSA.
6. A designated COLR may opt of its obligations in a GSA by advice letter, unless it is the only carrier remaining in the GSA, in which case it must file an application to withdraw as the COLR, and continue to act as the COLR until the application is granted or a new COLR has been designated as a result of an auction.

**APPENDIX A**  
**Page 10**

**E. Competitive Bidding To Serve As The COLR**

1. If there is only one carrier in a GSA and that carrier has filed an application to withdraw as the COLR in that GSA, and no other provider is willing to assume the COLR responsibility at the current subsidy level:
  - a. The Commission will initiate an auction whereby service providers bid to be the COLR.
  - b. Providers will bid for an amount, over and above the previously established per-line subsidy. The lowest bidder would become the subsidized COLR prepared to provide service to all customers for three years. Competitive entry would be allowed, but only 1/2 the subsidy would be available.
2. A COLR who loses the bid shall have the option to sell its facilities in the area to any interested party at book value.
3. 180 days prior to the expiration of the three-year COLR obligation, other carriers desiring to become a designated COLR in the GSA shall file a Designated COLR NOI. The Commission will then determine whether the same designated COLR should be retained, whether multiple carriers of last resort should be permitted, or if another auction should be held.

**F. Funding The High Cost Voucher Fund**

1. The Commission will require all telecommunications service providers to contribute to the high cost voucher fund.
2. The Commission will collect and distribute money for this fund through the net trans account method.
3. Carriers will be required to submit records to the Commission regarding:
  - a. all transmission path revenues, and
  - b. access payments to other carriers.
4. The Commission will be the administrator of the high cost voucher fund mechanism.

**APPENDIX A**  
**Page 11**

5. The Commission will calculate each carrier's payment (or receipt) from the fund and will bill (or distribute) the appropriate amount to carriers.

**G. Distributing The High Cost Area Subsidy In A Resale Environment**

1. If resale of basic exchange service or loops is allowed, the subsidy for residential basic exchange service for that customer shall be treated as follows:

a. If the price of the service or facility resold is below its cost, the underlying facilities based provider receives the subsidy for the services sold.

b. If the price of the service or facility resold is market based or based upon actual deaveraged costs, then the carrier who sells basic exchange service to the end-user residential customer shall receive the subsidy provided that the basic residential service is priced at the affordable (but below cost) price set by the Commission.

**7. CONSUMER INFORMATION RULE**

A. All providers of basic exchange services must provide the following information to consumers in any marketing information that targets residential customers and which explains the telecommunication service offerings available. The required information will be set apart from other marketing information with the following statement: "The following information is required by the California Public Utilities Commission to allow comparisons with rates charged by other providers for the same type of service."

APPENDIX A  
Page 12

B. The required information shall consist of the following:

**BASIC SERVICES**

	<u>ONE TIME CHARGE TO INSTALL</u>	<u>COST PER MONTH</u>
<b>Flat Rate Service:</b> A set monthly rate for unlimited local calling, within a minimum of 12 miles.	\$ _____	\$ _____
<b>Measured Rate Service:</b> A reduced monthly rate plus per-minute charges for each local call above a minimum \$3.00 allowance.	\$ _____	\$ _____
<b>Universal Lifeline Telephone Service:</b> Subsidized, low-priced service for qualifying limited income customers.		
-Flat Rate Universal Lifeline: Unlimited local calling.	\$ _____	\$ _____
-Measured Rate Universal Lifeline: Provides, at a minimum, 60 <u>untimed</u> local calls. Local calls over 60 cost _____ cents each.	\$ _____	\$ _____

Price information is current as of (month, date, and year).

(END OF APPENDIX A)

**ATTACHMENT A**

Calaveras Telephone Company  
California-Oregon Telephone Co.,  
Citizens Utilities Company of California  
Contel of California, Inc.  
CP National  
Ducor Telephone Company,  
Evans Telephone Company  
Foresthill Telephone Co.  
GTE California Incorporated  
GTE West Coast Incorporated  
Happy Valley Telephone Company  
Hornitos Telephone Company  
Kerman Telephone Company  
Pacific Bell  
Pinnacles Telephone Company  
The Ponderosa Telephone Co.  
Roseville Telephone Company  
Sierra Telephone Company, Inc.  
Siskiyou Telephone Company  
Tuolumne Telephone Company  
The Volcano Telephone Company  
Winterhaven Telephone Co.

(END OF ATTACHMENT A)

## Appendix D

# **Cost Proxy Model ©1996**

## **Design Overview**

11

## Executive Summary

- The Cost Proxy Statewide version is built upon Non-proprietary Census data and Pacific Bell specific Cost information, characteristics, and methodologies.

### System Platform

- Currently designed using SAS software
- Runs best on a Pentium based machine using Windows NT or 95
- The model is based on a modular design using a table driven database structure. Ongoing maintenance is minimal. The user must only validate that the tables are up to date and that the current raw customer data has been obtained.

### Current Model Methodology

- Uses a "Bottoms-up" approach to costs
- Economically sound
- Forward looking
- Simple approach using network components that are combined together to form the customer's service
  - e.g.,
    - Cost per foot of aerial copper
    - Cost per foot of buried copper
    - Cost per line termination
    - Cost per switched minute of use
- Customer information is derived from "gridding" a state up into 1/100 of a degree latitude and longitude squares. Census data, company data, other demographic data is then aggregated at the Grid level.
- Using the Latitude and Longitude of each Grid and the company locations for switches, distances can be calculated. These distances are first split into Feeder and Distribution based on ratios developed from actual data. The distances are then converted to route distances based on statistically derived ratios. These distances then determine the amount of outside plant facilities that are needed and what type of loop technology will be used.
- The geographical Grid area is also analyzed to determine the density, terrain, soil type, water table depth, etc.. The values analyzed are those that are thought to influence costs.
- The values of the simple cost components are adjusted based on the grid specific characteristics. These characteristics include technology, switch type, density, terrain, soil type, depth to rock, etc.,
- Finally, using the customer's distance, the model will develop the Cost Proxy for an individual customer.
- Once investment costs are derived, company specific estimates of operating costs per line can also be applied.
  - e.g.,
    - Cost per bill
    - average monthly repair costs
    - White page listing costs

**Results**

- Once the costs are collected and are attributed to the GRID
  - they can compared to revenues to calculate the subsidy amounts
- The Grid costs can also be summarized in any number of manners, as long as the data can be related to a Grid.
  - e.g.,
    - By Central Office
    - By Density Zone
    - By Census Block group
    - By political boundaries
    - etc.,

## **Basic Data Requirements**

### **Geographic (Publicly available data)**

*(Grid data is currently at 1/100 Degree)*

Household file at Grid Level (or some other substitute for Residential lines)

- Households
- Demographic data
- Latitude
- Longitude
- Conversion Factor - HH to Residential lines

Daytime population file at Grid level (or some other substitute for Business lines)

- Population
- Latitude
- Longitude
- Conversion Factor - Day Population to Business lines

State CBG file

- Latitude
- Longitude
- CBG

State Grid File

- Latitude
- Longitude
- Census Block Group
- State Senate District
- State Assembly District
- CLLI/Exch (associated with grid)
- State
- Distance to CLLI from centroid of Grid
- Square miles in Grid

CLLI File

- CLLI/Exch
- Exact latitude
- Exact Longitude
- Switch Type
- Company
- Tariff rates
- CBG

Terrain File

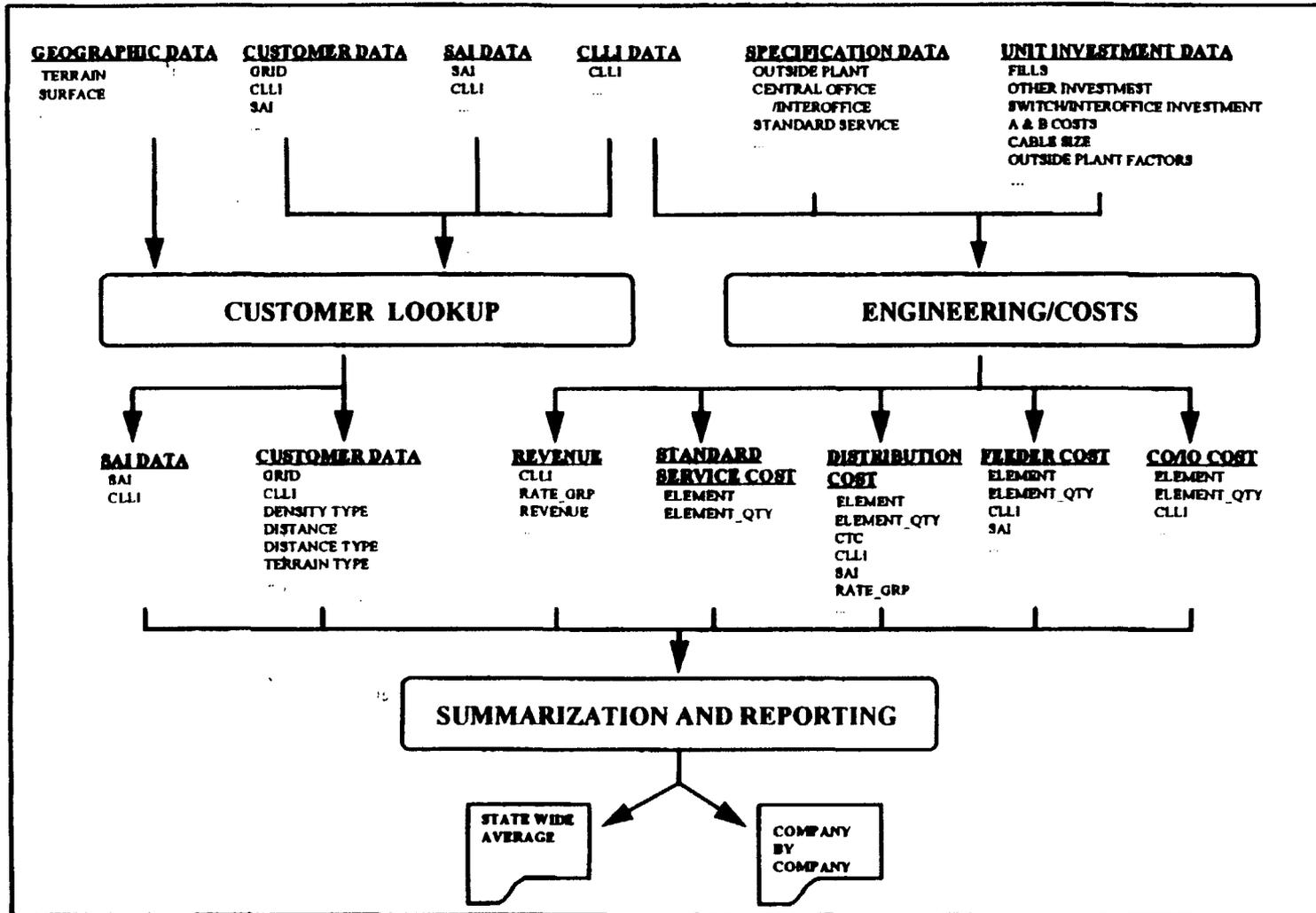
- Latitude and Longitude
- or
- CBG
- Rock Depth
- Water Depth
- Soil type
- Rock Hardness

**Data Assumptions**

- Interoffice is 100% Fiber, Feeder is Fiber (>9kft) Copper (<9kft) mix
- Litespan/SLC systems used when Loop >9,000 ft
- Distribution is dedicated
- SAI is considered feeder
- Distribution buried plant is engineered at a ratio of 2 lines per household
- Distribution aerial plant is engineered at a ratio of 1.5 lines per household
- Distribution planning is not affected by demographics. If more lines are needed, DAML technology is used
- MOU and Messages per subscriber per month in the BH are based on SCIS/NCAT
- Costs are based on capacity used and the investment amount is defined specifically by (Density, Terrain, Length of loops, and CO type)
- We are answering the question: What is the costs for providing Basic Service to a Household

I. Basic System Design

Basic System Design



Appendix E