The burden of proving to the Commission that the alternative method more accurately reflects true LRSIC costs within a given high-cost study area is on the applicant.

The final issue which needs to be addressed on this subject involves establishing a procedure to implement the universal service guidelines adopted by this order. Contrary to the position expressed by Cincinnati Bell, we determine that it is not necessary to have a universal fund mechanism in place prior to promulgating these guidelines governing local competition. To adopt Cincinnati Bell's position would indefinitely delay the commencement of competition in this state and would shore up the ILECs' monopoly position within their service territories. Cincinnati Bell's position also could be deemed a barrier to entry generally prohibited by adoption of the 1996 Act. We have, however, in response to Cincinnati Bell's comments, set forth a specific framework which details obligations of NECs and a model for cost recovery by the ILECs so that there will be little doubt of our policy intentions in this area.

XIV. NUMBER PORTABILITY

Staff's principles concerning number portability recommended that end users should have the ability to retain the same telephone number when changing from one local provider to another as long as the end user remains within the same NXX code. To accomplish that end, staff proposed that, where facilities permit and upon a bona fide request for interconnection by a certified local service provider, a providing carrier would have an obligation to provide true service provider number portability. Where facilities do not permit, staff maintains that interim service provider portability be provided on a DID or RCF basis. Staff also proposed Ohio-specific number portability guidelines which any number portability solution must support.

One commenter, Cincinnati Bell, questions whether number portability is really necessary for local exchange competition (Cincinnati Bell initial comments, Appendix B at 28-29). Cincinnati Bell further opines that the costs associated with any form of number portability will be significant and, therefore, the Commission must conduct an analysis to determine whether the costs outweigh the benefits of number portability received by customers. Several ILECs also maintain that requiring a permanent number portability solution within 12 months of a bona fide request for interconnection is an impossible implementation schedule. The NECs commenting on this issue primarily argue that a permanent number portability solution is one of the most significant factors necessary to establish local exchange competition. Without a numbering solution, the NECs claim that local competition will never happen due to customer inertia and because, without a permanent solution, many sophisticated feature package functions (such as CLASS services) cannot be offered or can only be offered in an inferior manner thus rendering NECs' service less than adequate as compared to the ILECs' service. On the timing issue, the NECs assert that there are a number of ongoing number portability trials and that the Commission should merely adopt one of those and make any minor adjustments necessary to provide an Ohio-specific solution.

There was no debate among commenters in this matter that, to the extent technically feasible, number portability is required of all LECs under Section 251(b)(2) of the 1996 Act. Further, the 1996 Act instructs the FCC to adopt guidelines on this matter within six months of the date of enactment. In addition, the parties agree that the 1996 Act mandates that the costs of a number portability solution shall be borne by all telecommunications carriers on a competitively neutral basis. New Par asserts that the 1996 Act does not impose number portability obligations on wireless providers or other non-LEC telecommunication service providers and neither should this Commission. The primary area of disagreement over the 1996 Act pertains to the appropriate cost recovery mechanism for interim number portability solutions. Ameritech claims that the 1996 Act does not set forth rate standards governing interim number portability and, as a result, this service is subject to the just, reasonable, and compensatory rate standard under Ohio law (Ameritech supp. comments at 15). OCC opines that, since interim number portability falls under the definition of a network element as used in the 1996 Act, the Commission can require its provision at LRSIC and need not include a reasonable profit in the price. MFS maintains that Section 251(e)(2) of the 1996 Act precludes the Commission from assigning the costs of interim number portability exclusively to consumers whose numbers are forwarded or to the carriers from which they have elected to take service (MFS supp. comments at 15).

The Commission is of the opinion that a permanent true number portability solution has significant benefits for establishing effective competition in this state in addition to providing greater choice benefits to end users. During the comment cycle established in the proceeding, Illinois adopted location routing number (LRN) true service provider number portability. LRN refers to a database system which does not rely on an absolute need to transport ported calls through the ILEC's network. In addition, unlike RCF and DID, LRN allows enhanced calling services relying on number identification to function as designed. We find that the benefits promised by adoption of LRN true service provider number portability far outweigh any unspecified problems. Therefore, we find it appropriate for Ohio to adopt LRN true service provider number portability as the appropriate permanent number portability solution for Ohio. The Commission shall schedule a state-wide LRN number portability workshop within 120 days of the issuance of these guidelines. The workshop will seek to establish the time frame and manner of the implementation of LRN number portability in the state of Ohio. The costs of implementing this permanent number portability solution shall be borne by all telecommunication carriers in accordance with Section 251(e)(2) of the 1996 Act.

Where facilities do not permit the introduction of LRN true service provider number portability upon a bona fide request, we find that number portability is sufficiently important to warrant the imposition of interim number portability on an RCF or DID basis. The rates which are established to provide an interim number portability solution will be an appropriate issue for inclusion in an interconnection agreement. This determination is consistent with the statement of the congressional Committee of Conference which found that the method of providing interim number

portability and the amount of compensation, if any, for providing such service is subject to the negotiated interconnection agreement pursuant to Section 251 of the 1996 Act.

As a final matter, we agree with New Par that, to the extent an entity is engaged solely in the provision of commercial mobile service pursuant to 47 U.S.C. 332(c), neither interim nor permanent number portability must be offered at this time. However, we would note that the 1996 Act places a general duty on all telecommunications carriers, including commercial mobile service providers, not to install network features, functions, or capabilities that do not comply with the guidelines and standards to be established by the FCC concerning access by persons with disabilities and coordination for interconnectivity. We expect all commercial mobile service providers to abide by this standard in engineering and installation of their systems.

XV. NUMBERING ASSIGNMENT AND ADMINISTRATION

Staff proposed that, prior to a resolution of number assignment and administration responsibilities on a national or industry level, there should be no state-specific requirement for Cincinnati Bell and Ameritech to transfer these responsibilities. Several commenters suggested that the Commission insert a nondiscrimination requirement in the proposed rule while other commenters opine that the Commission should establish a numbering administration oversight committee or transfer the responsibilities to a neutral third party. The 1996 Acts directs the FCC, as the entity with jurisdiction over the North American Numbering Plan pertaining to the United States, to create or designate one or more impartial entities to administer telecommunications numbering and to make numbers available on an equitable basis. The 1996 Act permits the FCC to delegate to the state commissions all or any portions of its jurisdiction.

In light of the fact that the FCC has pending an investigation on number administration issues (CC Docket 92-237) and because the 1996 Act requires the FCC to take action in this area, the Commission can find no reason, at this time, to establish a mechanism to address number assignment and administration responsibilities.

XVI. DIRECTORY LISTINGS

Staff's proposal reiterates the customer listing requirements placed on LECs by the MTSS. The proposal also clarifies that LECs may purchase the provisioning of published directories and directory assistance from other providers. The proposal makes clear, however, that it is the carrier's responsibility to comply with the MTSS in provisioning service to end users. Finally, the staff's proposal touches on competitor listings and updates to published directory and directory assistance listings. Those ILECs commenting on staff's proposal suggest that all LECs should be responsible for providing directories covering their own local calling areas and that such a proposal may satisfy customer needs at greater convenience and less cost. The NECs essentially assert that the ILECs should be obligated to provide directories and directory assistance at

no charge to the NECs. The Ashtabula Coalition posits that, without a requirement that a carrier's local calling area encompass the end user's entire county of residence, the directory issue will just further confuse end users (Ashtabula Coalition's initial comments at 8-9).

Having fully considered the comments filed concerning the proposed guidelines, we determine no changes are warranted. Staff's proposal correctly recognized that the obligation to provide directories, directory listings, and directory assistance is one most appropriately placed on the serving LEC. Staff's proposal also affords the NECs flexibility in that it recognizes that there are different methods by which a NEC can fulfill its regulatory obligations to consumers. The NEC may provide this service itself or the NEC may obtain these services from other parties, including ILECS which have the duty to negotiate such matters in good faith. Further, we fully expect that, with the advent of local competition, there will be an increase in the number and services provided by alternative providers of directories and directory assistance. Adopting staff's proposal regarding directory listings will maintain accountability for directory provisioning, creates no unequal burdens, allows market forces to benefit carriers and end users, and keeps a check on end users' need to utilize the ever-increasing numbers of directories to access local numbers. Placing the obligation of providing directories on NECs' will benefit end users by providing them with a single directory which encompasses all local listings in the service area. Placing this obligation upon the ILECs may be unreasonable because the ILEC may not have all necessary customers in its database to produce a directory since NECs have the ability to self-define their service and local calling areas. As a final matter, we acknowledge the concern raised by the Ashtabula Coalition and pledge to monitor and take corrective action as necessary to address situations involving end user confusion.

XVII. INTERCONNECTION TECHNICAL STANDARDS

Staff's proposal on this issue touches on a number of areas including disclosure requirements, network modifications, facilities, minimum compliance, technical requirements and changes in technical standards, service quality, federal requirements, and support functions. Consumer groups, new entrants, and the FEAs concur with these provisions of staff's proposal. NENA asserts that prompt access to 9-1-1 and E9-1-1 should not depend on the success of free-ranging negotiations and, therefore, this commenter suggests adoption of a non-discriminatory, cost-based tariff to allow carriers to use one another's databases (NENA initial comments at 4). ILECs maintain that, where another carrier's technical requirements require a modification to the ILECs facilities, the cost of those modifications should be recovered on an individual basis. There was some agreement among the commenters that "essential support functions" should be provided on a cost-based, nondiscriminatory basis (ICG initial comments at 5; Ameritech initial comments Attachment 3 at 53; AT&T initial comments, Appendix A, Part 2 at 50).

In considering whether any revisions are necessary to this portion of the guidelines, we note our agreement with the FEAs that "business and residence subscribers have benefited from cooperation between interexchange carriers and local exchange carriers" and that "they correctly expect the same level of cooperation between multiple local carriers" (FEAs initial comments at 25). Having set forth that guiding principle, we affirm for the most part staff's proposed guidelines on this issue. One revision necessitated by adoption of the 1996 Act is that the cost of network modifications relating to interconnection tariffs should be removed and replaced with a requirement to negotiate the costs of non-standard interconnection arrangements among interconnecting carriers. Another revision made necessary by the 1996 Act is that the technical standards section should be amended to reflect that a LEC must make available to other LECs technical interfaces that are at least equal in quality to that which it provides itself and such interfaces must be made available to similarly situated carriers upon request. The final revision was made to reflect that changes in technical requirements must be provided to other interested parties at the same time notice is given to all interconnecting carriers and to the Commission.

XVIII. CONSUMER SAFEGUARDS

Under this section, staff proposed standards that would apply to all LECs concerning customer information and education as well as prohibiting certain marketing practices. Specifically, the staff recommends that carriers should provide full and complete materials from which customers can make informed decisions. However, the Commission, should it encounter a LEC abusing this section, reserves its right to require, review, or request modification to customer notices and other education materials. Regarding marketing, the staff proposes to prohibit certain unfair or deceptive marketing practices. Finally, the staff noted that certified carriers engaging in the practice of unauthorized switching of an end user's LEC would be subject to penalties and remedies under the Ohio Revised Code.

Several ILECs commenting on the customer education proposal maintain that this provision is unnecessary and would result in needless regulatory burden with no articulation of the possible benefits. Commenters representing consumer interests applaud the staff's proposal and sought additional requirements that would, in their opinion, strengthen the proposal. Regarding marketing practices, United/Sprint and Ameritech assert that the Consumer Sales Practices Act (CSPA), set forth in Chapter 1345, Revised Code, specifically exempts transactions between public utilities and their customers from its coverage (United/Sprint initial comments at 60; Ameritech initial comments at 122). Consumer commenters point out that the CSPA exempted public utilities due to the extent of regulation those entities were subject to by the Commission. Thus, to the extent the Commission loosens regulation in this proceeding, it would be appropriate to subject those carriers to the CSPA. OCC even recommends that the Commission seek the lifting of the exemption the CSPA provides public utilities (OCC initial comments at 84). Toledo asserts that the Commission should affirmatively afford end users the same ability to seek redress of violations of the

CSPA as the Commission has reserved to itself (Toledo initial comments at 5). Many commenters recommend expanding the slamming provisions to include all local exchange services.

The Commission determines that the guidelines concerning customer education and prohibitions on deceptive marketing practices should be adopted. Contrary to the arguments set forth by the ILECs on customer education and marketing, we believe that these are perhaps the most important consumer provisions within these guidelines. As all parties, acknowledge, including the ILECs, it is the consumers who should benefit from basic local exchange service competition. To the extent that all LECs clearly and accurately inform customers of their respective service offerings and point out, where appropriate, customers' options, the Commission has no reason to require pre-approval before certain marketing and customer education material is utilized. However, past experiences have taught us that it would be unwise to merely allow the companies to compete for customers and market services without some level of regulatory review. As a result of competition in the interexchange market, Ohioans have been subjected to a host of deceptive marketing practices, including slamming. According to records maintained by our consumer services department, complaints to our Public Information Center (PIC) hotline on these matters have increased from 375 slamming contacts in 1993 to 1398 contacts in 1995. Moreover, in the first five months of 1996, our PIC hotline has logged 993 contacts concerning slamming. Following some reasonable period under which we are operating in a competitive market, the Commission may reevaluate the rationale for this requirement and, should conditions warrant, revise or remove it accordingly.

We also acknowledge that the CSPA specifically exempts transactions between public utilities and its customers from its provisions. Thus, we decline to adopt OCC's proposal to simply write the CSPA into these guidelines. However, we agree with the staff proposal to apply certain particular principles embodied within the CSPA to transactions between public utilities and its customers for the same reasons which justify our continued review of customer notices and educational materials. In fact, in this new regulatory environment, it is imperative that consumers have even more protection from the potential abuses of competitive entities than under traditional regulation because under traditional regulation it was clear to consumers who they had a complaint against whereas in a competitive environment it may not be as clear. Finally, we agree with the consumer interests who posit that public utilities were exempted from the CSPA due to the extent of regulation applied by this Commission over utility practices. With adoption of these guidelines, however, the regulatory paradigm is changing. We do think it appropriate that the Commission, rather than common pleas and municipal courts throughout the state, remain the forum for adjudication of these disputes. The Commission's expertise in this area make it better equipped at this time to address these claims. Commission jurisdiction will benefit carriers and consumers alike and will avoid inconsistent rulings throughout the state.

As a final matter, we find that it is appropriate to make a modification to the staff's slamming proposal. The guidelines, as revised, highlight that a customer whose telecommunications carrier has been switched without the appropriate authorization may file a complaint under Section 4905.26, Revised Code, with the Commission. This is in no way a modification of, but rather an affirmation of, the rights already afforded end users pursuant to Section 4905.26, Revised Code.

XIX. REGULATORY OVERSIGHT

By this section, staff set forth the Commission's obligations to ensure that the regulatory framework for competing LECs encourages the establishment of a healthy competitive market while safeguarding the public interest as set forth in Section 4927.02, Revised Code. According to the staff proposal, the Commission reserves its right to impose alternative requirements upon certified providers. In addition, the Commission recognizes that it is Commission policy to monitor and to relieve, whenever appropriate, ILECs from certain regulatory requirements to the extent that those requirements place unreasonable obligations upon ILECs. Therefore, no later than three years after adoption, the Commission shall review on an ILEC-specific basis the continuing appropriateness of these guidelines. Should an ILEC desire to be relieved of certain regulatory obligations prior to the Commission's review, it may request relief pursuant to Sections 4927.03 or 4927.04, Revised Code. As a final matter, the guidelines set forth a streamlined formal complaint process, under Section 4905.26, Revised Code, for resolving disputes among carriers.

The ILECs (both LLECs and SLECs) commenting on this section primarily argue that the Commission's guidelines should reflect on the service being provided and not upon the entity providing the service. In addition, the competitive milestones suggested by staff, according to the ILEC respondents, place an undue burden on the incumbent local exchange providers. ALLTEL and Ameritech also propose striking the dispute resolution forum as having no legal standing or enforcement capabilities (ALLTEL initial comments at 29; Ameritech initial comments at 126). The NECs and OCC opine that staff's proposed competitive milestones are inadequate. In support of this position, AT&T points out that the FCC did not relax regulation on it until its share of the competitive toll market had dropped to 58 percent (AT&T initial comments, Appendix A, Part 2 at 56). Regarding a dispute resolution forum, OCC asserts that negotiation is preferable to litigation and, therefore, negotiation should be attempted prior to resorting to a Section 4905.26, Revised Code, complaint proceeding. However, to make this option more effective, the Commission needs to commit to resolving carrier-to-carrier disputes within a reasonable time frame (MFS initial comments at 56-57). OCC also notes that a similar expedited complaint process should be available to consumers as well as carriers (OCC initial comments at 92).

The Commission notes that we have already dismissed the arguments raised by the ILECs that the Commission must require symmetric regulation of carriers with vastly different market shares and control of bottleneck facilities. Those arguments

need not be restated here except to reaffirm our position that we will continue to monitor and reevaluate, where appropriate, alternative requirements upon any LEC (ILEC or NEC) abusing the guidelines addressed herein.

Attachment A to Appendix A (LRSIC)

Appended as an attachment to the staff's proposed guidelines was a discussion of the factors associated with performing LRSIC studies as well as a definition of terms utilized. While several commenters note that the staff's proposal represents a decent starting point in defining the factors associated with LRSIC studies, numerous comments and suggested edits were submitted to the staff's proposal. For example, the OCTA was concerned that the guidelines, as proposed, permit the ILECs to make a large number of arbitrary decisions in the process of developing a LRSIC study. To solve this concern, the OCTA recommends that the Commission identify a "task force" charged with monitoring the inputs into ILEC LRSIC studies. In addition, periodic studies addressing all services are necessary in order to ensure accuracy of any LRSIC study according to OCTA. The OCTA also notes that, of greater methodological concern, is the use of historical and current costs, data, and technologies in the development of a LRSIC study. The OCTA points out that the staff's proposal is inconsistent in this area. While not disputing the factors staff proposes to be included in a LRSIC study, Cincinnati Bell proposes a number of specific definitional edits to the staff's LRSIC attachment.

The Commission finds that clarification of this section of the proposal is appropriate. First, we would note that the purpose for including this detailed explanation of LRSIC studies is to provide a framework for LECs to use in creation of their own company-specific LRSIC studies. These guidelines represent the manner in which staff recommends providers conduct LRSIC studies. This does not mean, however, that a LRSIC study which varies from these guidelines and which is appropriately justified by the company submitting the study will not be given appropriate consideration by the Commission and its staff because we recognize that company and product-specific factors may warrant a deviation from the proposal. We do go on record, however, that we will look more carefully at the inputs into all LRSIC studies by permitting only inclusion of costs properly allocable to the intrastate telephone service operations as opposed to those more appropriately allocated to advanced video or related services. We also will more closely scrutinize the type of costs included. As a final matter, we make clear that LRSIC is a pricing tool primarily to be used to establish price floors. If the ILEC chooses to price at LRSIC, however, does not automatically establish a right for that ILEC to recover the difference between LRSIC and the fully embedded cost (including an allocation of joint and common costs) from other monopoly services. The merits of such recovery is open to considerable debate and will be carefully scrutinized before we authorize an increase in monopoly basic exchange rates.

Having thoroughly considered OCTA's proposal[39] that the Commission establish a task force to monitor the inputs into ILEC LRSIC studies, the Commission finds such recommendation to be unnecessary. Currently, when an ILEC submits a LRSIC study, the staff performs an in-depth review of the methodology and inputs used in creating the study. The staff then formulates a recommendation for the Commission to consider. Parties which may be affected by the ILECs proposal are given an opportunity to object to the ILEC's proposal either by filing an objection if it is a new service or by filing a complaint if it is an established service. It is unclear from the OCTA's comments whether the recommended task force would replace the role of the Commission's staff or whether it would represent an additional layer of approvals an ILEC would have to obtain prior to receiving approval of its LRSIC study. In any event, we do not agree with the implication that staff is not equipped to properly review these ILEC LRSIC studies. OCTA's comments also suggest that the proposed task force would be empowered to review the ILEC inputs which we interpret to mean actual costs. To the extent this task force is comprised of the ILEC's competitors, there would certainly arise a justified concern regarding the provision of confidential, proprietary, or trade secret information to this task force without appropriate protection. For these reasons, OCTA's proposal on this issue is rejected.

We also note that Cincinnati Bell raises some legitimate concerns and proposes some specific language to correct particular provisions of the LRSIC attachment. Many of these proposed revisions are designed to correct the inconsistency between staff's proposal that LRSIC studies should be based on forward-looking factors and specific sections which referred to using historical-type data. We agree with Cincinnati Bell that this inconsistency needs to be clarified and have made the appropriate revisions to require that, subject to the caveats listed previously in this opinion and in the guidelines, the data inputs must be based upon forward-looking information.

TRANSITION:

To provide for an orderly transition over to the local competition guidelines, the Commission concludes that the guidelines should become effective on August 15, 1996, and all certified local exchange carriers and current applicants should be automatically transitioned over to the guideline procedures as of that date. All pending NEC applications and NEC applications filed between the issuance of this Finding and Order and August 15, 1996, will be processed using the procedures currently in place at the time of this order. While these applications would not be subject to the 60-day automatic time frame, so as not to delay NECs from entering the local market, we will continue to process and approve applications pursuant to the current procedures. We are commited to reviewing the applications currently pending on an expedited basis by

[39] This concept was not well developed in OCTA's comments.

significantly reducing the time frames in place, especially for those cases that are not contested. For those cases that are contested, the Commission will consider such actions as limiting discovery time frames as well as narrowing the scope of discovery and limiting testimony. Any case which is filed prior to August 15, 1996, and is still pending as of August 15, 1996, and would appropriately be subject to an automatic time frame under the local competition guidelines, will automatically be converted over to the automatic approval process and will be treated as if the filing were made on August 15, 1996. Any pending NEC applications for which there is no automatic time frame established in the guidelines will be handled according to the procedures deemed appropriate by the Commission. In order to clarify the actual results of this transition procedure, the Commission will issue a procedural entry prior to the effective date of the guidelines for those NEC applications pending at that time.

The first filing of any type made by NECs on or after August 15, 1996, must include a completed Registration Form (See Attachment B to Appendix A) and the exhibits required for that type of case. For any application which is filed pursuant to an automatic time frame established in these guidelines, the automatic time frame will not begin to run until the appropriate Registration Form is filed.

CONCLUSION:

In light of the enactment of the 1996 Act, dramatic changes are occurring in the local exchange market which warrant a reevaluation of this Commission's traditional regulatory practices concerning the provision of basic local exchange services. The regulatory principles outlined above and in the attached Appendix A, represent, in this Commission's view, the appropriate guidelines by which to regulate those segments of the competitive marketplace while still affording us the ability to safeguard the public interest. The principles addressed herein will not only foster a competitive local exchange environment, but will also afford the Commission the ability to monitor the effectiveness of competition as well as the ability to redress problems with this model should any arise.

ORDER:

It is, therefore,

ORDERED, That, in accordance with the above findings, it is in the public interest to adopt, and as a result we hereby adopt, a new regulatory framework for the provision, within Ohio, of competitive local exchange telecommunication services, as set forth in Appendix A to this Finding and Order. It is, further,

ORDERED, That ILECs resubmit tariffs within 60 days of this Finding and Order which remove all restrictions on resale of services except as specifically noted otherwise in this Finding and Order. It is, further,

ORDERED, That the ILECs submit for Commission approval the revisions to ORP/SCO discussed in this Finding and Order and in Appendix A. It is, further,

ORDERED, That any telephone company currently offering basic local exchange service, who has not yet been certified to do so, shall file an application for certification pursuant to the attached guidelines. It is, further,

ORDERED, That all ILECs and NECs shall comply with this order and the attached guidelines. It is, further,

ORDERED, That the effective date of the guidelines shall be August 15, 1996. It is, further,

ORDERED, That copies of this Finding and Order be served upon all local exchange telephone companies, interexchange carriers, radio common carriers, cellular carriers, and competitive access providers operating in this state; all former and current RRJ applicants; The Ohio Telephone Association; The Office of the Consumers' Counsel; the Association of Township Trustees; County Commissioners Association; Ohio Chamber of Commerce; Ohio Farm Bureau; Ohio Council of Retail Merchants; Ohio Municipal League; the cities of Cleveland, Columbus, Cincinnati, Delaware, Dublin, Upper Arlington, Westerville, Worthington, and the Village of Powell; Ohio Cable Telecommunications Association; Appalachian People's Action Coalition; Telecommunications Resellers Association; Ashtabula County Telephone Coalition; Ohio Direct Communications, Inc. and Ridgefield Homes, Inc.; National Emergency Number Association; United States Department of Defense and all other Federal Executive Agencies; Ohio State Legislative Committee of the American Association of Retired Persons; Competitive Telecommunications Association; Ohio Domestic Violence Network; Westside Cellular Inc. dba Cellnet of Ohio, Inc.; Edgemont Neighborhood Coalition; all other persons or entities who have filed pleadings in this docket; all person or entities who have filed pleadings in Case No. 95-790-TP-COI; all applicants for authority to provide local exchange service; and upon all other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Craig A. Glazer, Chairman

Jolynn Barry Butler

Richard M. Fanelly

Ronda Hartman Fergus

David W. Johnson

JRJ/gm

Entered in the Journal

JUN 12 1996

A True Copy

Gary E. Vigorito
Secretary

❑ 4. LIMITATION OF LIABILITY

The following is applicable to all NECs that choose to include in their tariffs language which may limit their liability (See also Case No. 85-1406-AU-COI):

> Approval of limitation of liability language by the PUCO does not constitute a determination by the Commission that the limitation of liability imposed by the company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause.

iii. For intraLATA and interLATA, intrastate calls, NECs providing AOS must apply one of the following MTS price ceilings to the MTS provided in conjunction with AOS (see also Case No. 89-563-TP-COI):

Mileage Band	Initial Minute	Each Additional Minute
1 - 10	.32	.16
11 - 22	.40	.22
23 - 55	.48	.28
56 - 124	.57	.37
125 - end	.58	.39

or;

$.36 per minute of use

This rule does not apply to the provision of intraLATA, intrastate calls from secured inmate facilities where there is no access to other OSPs; the rates for those types of calls are addressed in Attachment C, 3.B.i. and ii., above.

iv. For intraLATA and interLATA, intrastate calls, each NEC's maximum interexchange operator-assisted AOS rates shall be no more than:

i. $1.70 for customer-dialed calling card calls;
ii. $2.50 for operator-handled calls; and
iii. $4.80 for person-to-person calls.

This rule does not apply to the provision of intraLATA, intrastate calls from secured inmate facilities where there is no access to other OSPs; the rates for those types of calls are addressed in Attachment C. 3.B.i., above.

v. Notice of any change in the rates stated in Attachment C, 3.B.i. through iv., above, whether it be upward or downward, must be filed by the OSP with the Commission in the form of a new price list, on or before the effective date in accordance with Commission-established filing rules.

❑ 3. ALTERNATIVE OPERATOR SERVICES

The following applies to the provision of alternative operator services (AOS) (See also Case No. 88-560-TP-COI):

Preceding the maximum operator-assisted surcharges set forth in the text of the tariff, as well as preceding the operator-assisted surcharges set forth in the price list attached to the tariff, the NEC must insert a statement which specifies whether the rates as set forth apply to the provider's provision of traditional operator services, AOS, or both.

a. Definitions

i. AOS are those services provided by the NEC in which the customer and the end user are totally separate entities. The NEC contracts with the customer to provide the AOS; however, the NEC does not directly contract with the end user to provide the services even though it is the end user who actually pays for the processing of the operator-assisted calls.

ii. Traditional operator services are those services provided by the NEC in which the end user has a customer relationship with the NEC, the NEC contracts with the customer/end user to provide the services, and the customer/end user pays for the actual processing of the operator-assisted calls.

b. AOS Service Parameters

i. For local operator-assisted calls, NECs providing AOS shall not charge the billed party more than the incumbent local exchange company (ILEC) price list rates for a local operator-assisted call in the same exchange. This requirement includes both the rates for MTS and operator surcharges.

ii. For intraLATA, intrastate calls, the NECs providing AOS to secured facilities shall not charge the billed party more than the ILEC price list rates for an intraLATA, intrastate call. This requirement includes both the rates for MTS and operator surcharges. This requirement is only applicable in those situations where the billed party does not have access to other operator service providers (OSPs) for the call from the secured facility.

New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Furthermore, the "night/weekend" discount plus an additional discount equivalent to no less than ten percent of the company's current, price list, "day" rates for basic MTS shall be made available for intrastate, interexchange, customer-dialed, station-to-station calls placed during the "night/weekend" period any day, the "day" period Sunday, and all day Saturday.

d. All MTS calls placed through the telecommunication relay service (TRS) are eligible to receive a discount off the MTS rates. The rate discounts are the same as those set forth in paragraph 1.c. preceding. The discount shall not apply to sponsor charges associated with calls placed to pay-per-call services, such as 900, 976, or 900-like calls.

❑ 2. EMERGENCY SERVICES CALLING PLAN

Applicable to all NECs offering MTS (See also Case Nos. 85-1466-TP-COI and 89-54-TP-COI):

Message toll telephone calls, to governmental emergency service agencies as set forth in (a) following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in (b) following, are offered at no charge to customers:

a. Governmental fire fighting, Ohio State Highway Patrol, police, and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) 24-hour basis, 365 days a year, including holidays.

b. An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life, property, or both, and necessitate that prompt action be taken. An emergency call is an originated call of short duration to a governmental emergency service agency in order to seek assistance for such an emergency.

b. Residential disabled customers or disabled members of a customer's household, upon written application and upon certification of their disabled status, which is evidenced by either a certificate from a physician, health care official, state agency, or a diploma from an accredited educational institution for the disabled, are eligible to receive a discount off their MTS rates, and, if they utilize telebraille devices, they are eligible to receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by non-profit organizations and governmental agencies, upon written application and verification that such lines are maintained for the benefit of the disabled are eligible to receive a discount off their MTS rates.

c. Upon receipt of the appropriate application, and certification or verification or a person with a communication disability, one of the following discounts shall be made available for the benefit of the disabled person:

i. Off the basic MTS, current, price list day rates: a 40 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 8:00 a.m. and 4:59 p.m. Monday through Friday; a 60 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 5:00 p.m. and 10:59 p.m. Sunday through Friday, and New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas; and a 70 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 11:00 p.m. and 7:59 a.m. any day, 8:00 a.m. and 4:59 p.m. Sunday, and all day Saturday; or

ii. Off the basic MTS, current, price list day rates: no less than a straight 70 percent discount shall be made available on a 24-hour a day basis; or

iii. For MTS which is offered similar to the mileage-banded rate structure established in the Commission's April 9, 1985 Opinion and Order in Case No. 84-944-TP-COI, with the traditional day, evening, and night/weekend discounts: the "evening" discount off the intrastate, interexchange, customer-dialed, station-to-station calls placed during the "day" period Monday through Friday; and the "night/weekend" discount off the intrastate, interexchange, customer-dialed, station-to-station calls placed during the "evening" period Sunday through Friday, and on

SERVICE REQUIREMENTS FORM

The provider affirms that it is in compliance with Commission directives concerning the following checked items, and that this represents an up-to-date listing of applicable "generic" service requirements. The provider understands that this in no way supersedes the context of the applicable Commission orders described below.

A. MANDATORY REQUIREMENTS FOR ALL NECs:

☒ 1. SALES TAX (See also Case No. 87-1010-TP-UNC)

Certain telecommunication services, as defined in the Ohio Revised Code, are subject to state sales tax at the prevailing tax rates, if the services originate, or terminate in Ohio, or both, and are charged to a subscriber's telephone number or account in Ohio.

☒ 2. DEPOSITS

If a deposit is requested, it may not exceed the estimated charges for two months tariffed services plus 30 percent of the monthly estimated charge for a specified customer. Deposits held for less than 180 days shall not accrue interest. Interest on intrastate deposits held for 180 days or longer will be handled in accordance with Rule 4901:1-17-05 of the Ohio Administrative Code.

B. REQUIREMENTS FOR NEC PROVISION OF CERTAIN SERVICES, OR WHERE CERTAIN CONDITIONS OF SERVICE ARE UTILIZED (check all applicable):

☐ 1. DISCOUNTS FOR PERSONS WITH COMMUNICATION DISABILITIES AND THE TELECOMMUNICATION RELAY SERVICE

Applicable to all NECs offering message toll service (MTS) (See also Case Nos. 87-206-TP-COI and 91-113-TP-COI):

a. For purposes of these requirements, the definition of disabled refers to those persons with communication disabilities, including those hearing disabled, deaf, deaf/blind, and speech disabled persons who have a disability that prevents them from communicating over the telephone without the aid of a telecommunications device for the communicatively disabled.

IV. **List names, titles, phone numbers, and addresses of those persons authorized to make and/or verify filings at the Commission on behalf of the applicant:**

_____

_____

_____

NOTE: An annual report is required to be filed with the Commission by each company on an annual basis. The annual report form will be sent for completion to the address and individual(s) identified in this Section unless another address or individual is so indicated.

V. **List names, titles, phone numbers, and addresses of those persons authorized to respond to inquiries from the Consumer Services Department on behalf of the applicant:**

_____

_____

_____

VERIFICATION

I, _____[Name and Title]_____ verify that I have utilized, verbatim, the Commission's Local Exchange Carrier Registration Form issued June 12, 1996, and that all of the information submitted here, and all additional information submitted in connection with Case No. ___-____-TP- _____ is true and correct to the best of my knowledge.

_____

(Signature)* (Date)

* A verification is required for every filing. It may be signed by counsel or an officer of the applicant.

Send your completed Registration Form, including all required attachments as well as the required number of copies, to:

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

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- ❑ List of names, addresses, and phone numbers of officers and directors, or partners.(3,6,10-11)
- ❑ Brief description of service(s) proposed, as well as the targeted market(s). (3)
- ❑ Copy of superseded tariff sheet(s) & price list(s), if applicable, marked as Exhibit A. (1-2,4,6,8-11,13-16)
- ❑ Copy of revised tariff sheets & price lists, marked as Exhibit B. (1-2,4,6,8 -11,13-16)
- ❑ If price list increase within an approved range of rates, specify which notice procedurehas been utilized: _____ real time; or _____ newspaper. (8-9,16)
- ❑ Copy of real time or newspaper notice which has been provided to customers. (1,2,4,6,10-11,16)
- ❑ Copy of customer education and information material for new residential services. (8)
- ❑ Description of and rationale for proposed tariff changes, including a complete description of the service(s) proposed or affected. Specify for each service affected whether it is business_____, residence _____, or both _____ as well as whether it is a switched _____ or dedicated _____ service. Include this information in either the cover letter or Exhibit C. (1-2,4-6,9-11,13-16)
- ❑ List of Ohio counties specifically involved or affected. (1-4,6,9-11,13)
- ❑ Certification from Ohio Secretary of State as to party's proper standing (domestic or foreign corporation, authorized use of fictitious name, etc.). (3,4,6,10-11,) (In transfer of certificate cases, the transferee's good standing must be established.)
- ❑ Explanation of how the proposed services in the proposed market area are in the public interest. (3)
- ❑ Definition of the proposed market area. (3)
- ❑ Definition of the class of customers that the applicant intends to serve. (3)
- ❑ Documentation attesting to the applicant's financial viability, including, at a minimum, a pro forma income statement and a balance sheet. If the pro forma income statement is based upon a certain geographical area(s) or information in other jurisdictions, please indicate. (3)
- ❑ Documentation attesting to the applicant's technical expertise relative to the proposed service offering(s) and proposed service area. (3)
- ❑ Explanation of the applicant's managerial expertise relative to the proposed service offering(s) and proposed service area. (3)
- ❑ Documentation indicating the applicant's corporate structure and ownership. (3)
- ❑ Information regarding any similar operations in other states. (3)
- ❑ Verification that the applicant will maintain local telephony records separate and apart from any other accounting records in accordance with the USOA. (3)
- ❑ Verification of compliance with any affiliate transaction requirements. (3)
- ❑ Letters requesting negotiation pursuant to Sections 251 and 252 of the Telecommunications Act of 1996 and a proposed timeline for construction, interconnection, and offering of services to end users. (3)
- ❑ Other information requested by the Commission staff.

III. **Registrant hereby attests to its compliance with the following requirements in the Service Requirements Form, as well as all pertinent entries and orders issued by the Commission with respect to these issues. Further, registrant hereby affirms that it will maintain with its TRF docket an up-to-date, properly marked, copy of the Service Requirements Form available for public inspection.**

Mandatory requirements for all basic local exchange providers:
[x] Sales tax
[x] Deposits

Service requirements for a NEC's provision of certain services (check all applicable):
- ❑ Discounts for Persons with Communication Disabilities and the Telecommunication Relay Service
- ❑ Emergency Services Calling Plan
- ❑ Alternative Operator Service (AOS) requirements
- ❑ Limitation of Liability

PUBLIC UTILITIES COMMISSION OF OHIO

LOCAL EXCHANGE CARRIER
REGISTRATION FORM
EFFECTIVE: AUGUST 15, 1996

In the Matter of the Application of)
_____) Case No. _____-____-TP -____
to _____)

Name of Registrant(s)_____
Address of Registrant(s)_____
Contact Person(s)_____ (Phone - _____)
Date _____ TRF Docket No. _____-_____-TP -TRF

NOTE: This form must accompany all applications filed by NECs. ILECs should utilize the appropriate form based on each ILEC's currently applicable regulatory framework. However, an ILEC must use this form if it has been granted tariff filing parity pursuant to Section VI.L. of the guidelines established in Case No. 95-845-TP-COI, or if the ILEC is filing an ARB or NAG case pursuant to the guidelines established in Case No. 96-463-TP-UNC.

I. **Indicate the reason for submitting this form (check only one):**

- ❑ 1. (AAC) Application to Amend Certificate (30-day approval, 7 copies)
- ❑ 2. (ABN) Abandonment of all Services (NOT automatic, 10 copies)
- ❑ 3. (ACE) New Operating Authority (60-day approval, 7 copies)
- ❑ 4. (ACN) Application to Change Name (30-day approval, 10 copies)
- 5. (AEC) Application to Establish, Revise, or Cancel a Contract (30-day approval, 7 copies)
  ❑ End User ❑ Carrier-to-Carrier Contract Amendment
- ❑ 6. (AMT) Merger (NOT automatic, 10 copies)
- ❑ 7. (ARB) Application for Arbitration (see 96-463-TP-COI for applicable process, 15 copies)
- ❑ 8. (ATA) Application for Tariff Amendment (0-day filing, 10 copies)
  ❑ New End User Service ❑ New Carrier to-Carrier Service
- ❑ 9. (ATA) Application for Tariff Amendment (30-day approval, 10 copies)
  ❑ Change in Terms and Conditions ❑ Withdrawal of Service
- ❑ 10. (ATC) Application to Transfer Certificate (NOT automatic, 7 copies)
- ❑ 11. (ATR) Application to Conduct a Transaction Between Utilities (NOT automatic, 10 copies)
- ❑ 12. (NAG) Negotiated Interconnection Agreement Between Carriers (90-day approval, 15 copies)
- ❑ 13. (UNC) Unclassified (explain) _____ (NOT automatic, 15 copies)
- ❑ 14. Other (explain) _____ (NOT automatic, 15 copies)

THE FOLLOWING ARE TRF FILINGS ONLY, NOT NEW CASES (0-day notice, 3 copies)

- ❑ 15. Introduction or Extension of Promotional Offering
- ❑ 16. New Price List Rate for Existing Service
- ❑ 17. Designation of Registrant's Process Agent(s)

II. **Indicate which of the following exhibits have been filed. The numbers (corresponding to the list above) indicate, at a minimum, the types of cases in which the exhibit is required:**

- ❑ A copy of registrant's proposed tariffs. (3)
- ❑ Statement affirming that the registrant has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility in the State of Ohio. (3)

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dollars, minutes, feet, loops, ports, and the like from which these figures were calculated.

6. To the extent practicable, all data and workpapers must be provided in machine readable form on diskettes using standard spreadsheet or database software formats such as Lotus 1-2-3 or Excel. Each diskette must contain a "read me" or similar file that defines the contents of each file on the diskette and contains an explanation of the definitions, formulas, equations, and data provided on the diskette.

19. Relevant cost means any cost identifiable by the principle of cost causation. Relevant cost is an avoidable, forward-looking, and incremental cost.

20. Total incremental cost (TIC) of a cost element means cost that can be avoided if a cost element is discontinued or not offered while holding constant the production levels of other services of the firm.

21. Usable capacity means the maximum physical capacity of the equipment or resource less any capacity required for maintenance, testing, or administrative purposes.

22. Volume-sensitive cost means the portion of the LRSIC which varies with the level of output of a product or service and is directly caused by the production of the product or service.

K. Required Workpapers

1. When a LEC submits a cost study to the Commission staff, it must simultaneously file a complete set of supporting workpapers and source documents.

2. The workpapers must clearly and logically present all data used in developing the estimate and provide a narrative explanation of all formulas or algorithms applied to these data. These workpapers must allow others to replicate the methodology and calculate equivalent or alternative results using equivalent or alternative assumptions.

3. The workpapers must clearly set forth all significant assumptions and identify all source documents used in preparing the cost estimate.

4. The workpapers must be organized so that a person unfamiliar with the study will be able to work from the initial investment, expense, and demand data to the final cost estimate. Every number used in developing the study must be clearly identified in the workpapers as to what it represents. Further, the source should be clearly identifiable and readily available, if not included with the workpapers.

5. Any input expressed as a "dollars per minute," "dollars per foot," "dollars per loop," "dollars per port," and the like must be traceable back to the original source documents containing the number of

is caused by a specific product or service. It is invariable with respect to the specified output level of that product or service.

9. Forward-looking costs are the prospective costs incurred by the LEC in the production of a product or service presuming forward-looking adjustments in a LEC's plant and equipment. Forward-looking costs ignore embedded or historical costs and only consider current and future costs which can be reasonably estimated based on data available to the LEC.

10. Incremental costs are the differential cost between two potential decisions.

11. Investment means a long-term capital asset (normally with a life exceeding one year) which is depreciated rather than shown as an expense in accordance with industry accounting standards.

12. Joint cost means the cost of resources necessary and used to provide a group or family of services. This cost component does not include the common overhead costs of the firm.

13. Marginal cost means the cost of producing and selling the next unit of service. Marginal cost is often measured by volume-sensitive cost per unit.

14. Nonrecurring cost means cost which occurs once in the provision of a service.

15. Principle of cost causation means costs are recognized as being caused by an action, if the costs are brought into existence as a direct result of providing the service or the costs are avoided if the service is not provided.

16. Product-specific contribution is the difference between the revenue from the service and the total incremental cost of the service.

17. Product-family cost means the cost that can be avoided if the family of service is not offered or is discontinued.

18. Recurring costs mean those costs which will continue throughout the economic life of the total service. They included capital costs and expenses.

J. Definitions

The following terms and definitions are included in the guidelines in order to facilitate the understanding of cost procedures, as well as to establish a commonality of terminology:

1. Annual costs means the costs of providing a particular service during the course of one year. They include both recurring capital costs and operating expenses.

2. Avoided costs means the costs that would be saved or net incurred if an action is not taken. Direct product costs are avoidable because they are specifically caused by an action and are determined by the principle of cost causations. Avoidable costs can encompass both capital and expenses.

3. Capital costs are the recurring annual costs resulting from expenditures for plant facilities which are capitalized. These annual capital costs include depreciation, cost of money, and income taxes.

4. Common overhead costs are incurred for the benefit of a firm as a whole and are not avoided if individual services or categories of services are discontinued. LRSIC studies do not include any allocation of common overhead costs.

5. Cost element means anything for which the measurement of cost is appropriate.

6. Direct costs means the costs directly caused by the production of a product or service. Alternatively, direct costs can be identified as those costs which could be eliminated were a product to be discontinued. In either case, the costs are calculated by holding constant the production of all other products and services.

7. Expenses means the cost of resources consumed in the production of revenue in the current accounting period.

8. Fixed costs means costs which do not vary with changes in output or level of activity of a firm. There are two kinds of fixed costs. The first is a cost which does not vary when the products or services are added or dropped. This form of fixed cost would normally fall in the common overhead cost category. A second form of fixed cost, a service-specific fixed cost, is part of LRSIC and