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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D. C. 20554

In the Matter of:	)	
	)	CC Docket No. 96-193
Reform of Filing Requirements	)	
and Carrier Classifications	)	

Dear Mr. Caton:

Enclosed are an original and eleven copies plus two extra public copies of the Comments of Cincinnati Bell Telephone Company in the above referenced proceeding. A duplicate original copy of this letter and attached Comments is also provided. Please date stamp this as acknowledgment of its receipt and return it. Questions regarding these Comments may be directed to David Meier at the above address or by telephone on (513) 397-1393.

Sincerely,

David L. Meier

David L. Meier

Enclosure

c: International Transcription Services, Inc.
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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of the Telecommunications Act of 1996:	)	
	)	
Reform of Filing Requirements and Carrier Classifications	)	CC Docket No. 96-193
	)	
Anchorage Telephone Utility, Petition for Withdrawal of Cost Allocation Manual	)	AAD 95-91

SUMMARY

Cincinnati Bell Telephone Company ("CBT") supports the Commission's efforts to reduce the reporting requirements for LECs. In light of the deregulatory policy established in the Telecommunications Act of 1996, CBT urges the Commission to promote a market in which all competitors are treated equally, so as to reduce the regulatory burdens placed upon LECs.

CAM filings and ARMIS reports should be completely eliminated. However, if the Commission determines not to eliminate these filing requirements at this time, CBT recommends the following:

1. The Commission should increase the threshold limits for these reports to a standard that would require only companies with greater than two percent of the nation's access lines to file.

2. The existing 60 day notice period for CAM filings should be reduced to 7 days.

3. The required filing date for various ARMIS reports be staggered.

4. Rate of Return Reports (Form 492) be filed on an annual basis only.

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I. INTRODUCTION

In its Order and Notice of Proposed Rulemaking ("NPRM") released September 12, 1996, the Commission initiated various rule changes required by the Telecommunications Act of 1996 (the "Act"), including a modification to allow local exchange carriers ("LECs") to file ARMIS reports and CAM revisions on an annual basis. Cincinnati Bell Telephone Company ("CBT"), an independent, mid-size local exchange carrier respectfully submits these comments regarding the issues raised by the Commission in this NPRM.

CBT supports the Commission's efforts to reduce the reporting requirements for LECs. In fact, CBT submits that in light of the deregulatory policy embodied in the Act, the Commission should consider further reducing the regulatory burdens placed upon LECs. In particular, the Commission should look to the following principles to guide its regulatory reforms:

1) The presumption that all telecommunications carriers are to be treated in a nondiscriminatory manner;

2) All regulation should be symmetrical;

3) The overall goal of the regulator in the creation of a competitive environment should be less regulation;

4) All regulatory reform should be guided by specific public interest considerations.[1]

II. DISCUSSION

A. Cost Allocation Manuals

Section 64.903(b) of the Commission's rules requires changes to the cost apportionment table and to the description of time reporting procedures to be filed at least 60 days before the carrier plans to implement these changes. In this NPRM, the Commission has proposed retaining this 60 day notice requirement. Alternatively, the Commission suggests eliminating opportunities for carriers to modify their cost allocation manuals between the period of their annual filings. Such an approach would require carriers to seek a waiver before implementing changes to their cost allocation manuals.[2] Either alternative would be unacceptable to LECs who are now competing in an increasingly competitive marketplace.

Success in this competitive marketplace requires that carriers have the flexibility to react quickly to the changing market conditions and customer needs. The 60 day notice requirement severely limits the speed at which a carrier may react to customer needs and places the carrier at a competitive disadvantage when compared to a new competitor. Such a regulatory result is clearly not competitively neutral as contemplated by the Act. Regulatory burdens placed on one carrier, but not on its competitor, place the carrier at a distinct competitive disadvantage.

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[1] For further discussion of these issues, see Comments of CBT, Docket No. 96-17 at p. 1.

[2] NPRM at ¶ 21.

Additionally, the waiver process provided for under this proposal is unduly burdensome, and unnecessarily restricts the introduction of new services. Competitors consistently seek to abuse the waiver process by raising unnecessary objections and inappropriately using the process to stretch out the time period for the approval of a new service. This also increases the cost of bringing new services to the telecommunications market. Any delay caused by such burdensome regulations merely serves to slow the introduction of new services to the consumer and, therefore, this process is not in the public interest.[3]

In the alternative, CBT proposes that if the Commission will not eliminate this notice requirement, the public interest would best be served by reducing the notice period to no longer than 7 days, which is consistent with the new standard established in the Act for certain tariff changes to become effective. Adopting a longer notice period than required by the Act for tariff changes would frustrate the intent of Congress to allow LECs to quickly introduce new products in a competitive market.

B. <u>ARMIS Reports</u>

The Commission has also proposed to institute a uniform filing date of April 1 for all ARMIS reports.[4] CBT proposes that ARMIS reports 43-01, 43-02, 43-03, and 43-04 remain due April 1. However, the due date for ARMIS reports 43-05 43-06, 43-07, and 43-08 should be extended to July 1.[5] By staggering such reports the Commission accomplishes the following:

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[3] Comments of CBT, Docket No. 96-17, at p. 3.

[4] NPRM at ¶ 27.

[5] In CBT Comments filed in CC Docket 96-23 CBT recommended that ARMIS reports 43-05, 43-06, and 43-07 should be eliminated. CBT continues to contend these reports serve no useful purpose in today's competitive environment and should be eliminated. Market forces will eliminate those

1. Planning and preparation time are increased allowing for greater efficiency and accuracy.

2. The burden placed on small and mid-size LECs that have limited company resources is spread out over time.

3. Less burden is placed on the Commission staff.

CBT supports the Commission's efforts to reduce reporting requirements. Furthermore, the Commission should take its efforts one step further and reduce the burden on small and mid-size LECs by eliminating the required reports or, at least, staggering the due date of the various ARMIS reports.

Further, in light of the Commission's Order permitting ARMIS 43-01 (the quarterly report) and ARMIS 43-06 (semi-annual service quality reports) to be filed once a year, CBT recommends that the Commission allow Rate of Return and Optional Incentive Regulation ("OIR") carriers to file Form 492 (Rate of Return Reports) on an annual basis beginning with the calendar year 1996 report due on April 1, 1997.[6]

C. The Commission should increase threshold limits for CAM Filings and ARMIS Reports.

In the NPRM the Commission requests comment on its proposal to adjust the threshold revenue values in Part 43 and Sections 32.11 and 64.903 of its rules for the effects of inflation.[7]

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carriers that do not meet or exceed the expectations of their customers by maintaining a high quality of service. Regulatory reform should have as its goal the reduction of the administrative burden on the Commission, as well as the burden on all telecommunications providers, thus allowing more time and energy to be focused on the interests of consumers.

[6] In its NPRM, CC Docket No. 96-23, at ¶ 16, released February 27, 1996, the Commission proposed to reduce the frequency of Form 492 (Rate of Return Report) and require that it be submitted annually rather than quarterly.

[7] NPRM at ¶ 22.

Currently LECs with annual operating revenues of $100 Million or more are required to file CAMs and various ARMIS reports. CBT has consistently called for an increase in the threshold for filing CAMs and ARMIS reports. For example, in previously filed comments, CBT supported a USTA request that the threshold for filing Cost Allocation Manuals and ARMIS reports be increased to $1 Billion or more in annual operating revenues.[8] In further reviewing this proposal, CBT has learned that two mid-size companies, SNET and Alltel Corporation, would still be required to file CAMs and ARMIS reports under this standard. CBT would have no objection to a modification of the threshold that also exempted these two companies from the filing requirements, since no public interest reason exists to treat these two mid-size companies differently than other mid-size companies.

Further, in passing the Act, Congress provided guidance as to the threshold standard which the Commission should employ to differentiate between carriers based on size. In order to be consistent with the Act, CBT recommends the Commission adopt a standard of requiring only companies with greater than two percent of the nation's access lines to file both CAMs and ARMIS reports. The Commission should follow the guidance provided by the Act by following the same standard used by Congress in the Act to recognize size differences between companies.

Adoption of such a modification in the threshold is also consistent with the deregulatory nature of the Act and with the public interest. Increasing the threshold for filing CAMs and ARMIS reports will reduce the regulatory burdens on smaller LECs without compromising the Commission's ability to obtain necessary information. The largest LECs, BOCs, GTE, and

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[8] See Comments of CBT, Docket No. 96-17 at p. 5 and Comments of CBT, Docket No. 96-23 at p. 2.

Sprint/United would continue to file under the new standard. Because these companies comprise over 90% of the access lines in the United States, the quality of the commissions information will not be meaningfully reduced by increasing the threshold.[9]

D. Forbearance

Section 401 of the Act directs the Commission to forbear from applying any regulation, or statutory provision of the Act if the Commission determines:

> (1) enforcement of such regulation or provision is not necessary to ensure that the charges practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and are not unjustly or unreasonably discriminatory; (2) enforcement of such regulation or provision is not necessary for the protection of consumers: and (3) forbearance from applying such provision or regulation is consistent with the public interest.[10]

It is CBT's contention that in a competitive marketplace, the Commission should forbear from requiring CAM filings, particularly the 60 day notice requirement, and ARMIS reports. If the Commission is not yet ready to exercise its option for forbearance from these requirements, then in enacting rules in this docket, it should modify its requirements as recommended above so as to reduce the regulatory burdens placed upon incumbent LECs.

III. CONCLUSION

The Commission should treat all competitors in the market equally and acknowledge that it is the market which should regulate providers of telecommunications services. The Commission should begin to promote less regulation by accepting the recommendations

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[9] United States Telephone Association , Phone Facts 1995. See also, Comments of CBT, Docket No. 96-23, at p. 2.

[10] 47 USC § 160(a).

contained herein. These recommendations will lower administrative costs and regulatory burdens currently imposed upon small and mid-size companies which will allow these carriers to fully compete in the emerging competitive market for telecommunications services.

Respectfully submitted,

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