

Time Warner Communications Holdings, Inc. (Time Warner  
Communications)

United States Telephone Association (USTA)

U S WEST Communications, Inc. (US West)

West Virginia University

Replies

America Online

Ameritech

AT&T

Bell Atlantic

BellSouth

Cable & Wireless

Cincinnati Bell

CIX

CMA

GTE

ITIC

Information Technology Industry Council, United States Telephone Association, California  
ISDN Users Group, Center for Democracy and Technology, Consumer Federation of  
America, Information Industry Association, California Bankers'  
Clearing House Association, U. S. Chamber of Commerce,  
Independent Data Communications Manufacturers Association,  
Information Technology Association of America, Telecommunications Industry  
Association (Joint Parties)

Interactive Services Association

MCI

Microsoft

Northern Telecom Inc. (Northern Telecom)

NYNEX

Pacific Bell

Roseville

Sprint

Southwestern Bell

3Com Corporation

USTA

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Comments on Bell Operating Companies' Cost DataComments

GTE Operating Company (GTE)  
MCI Telecommunications Corporation (MCI)

Replies

America Online  
NYNEX  
Pacific Bell  
Southwestern Bell  
US West

**II. Pleadings in CC Docket No. 94-1 (*Price Cap Second FNPRM*)**Comments

Ad Hoc Telecommunications Users Group (Ad Hoc)  
Ameritech  
ALTS  
AT&T  
Association for Local Telephone Services (ALTS)  
Bell Atlantic  
BellSouth  
California Cable Television Association (CCTA)  
Cincinnati Bell  
Competitive Telecommunication Association (CompTel)  
Comcast Corp. (Comcast)  
Cox Enterprises, Inc. (Cox)  
General Services Administration (GSA)  
GTE  
ICG Access Services, Inc. (ICG)  
Information Industry Association (IIA)  
LCI International, Inc. (LCI)  
LDDS Worldcom (LDDS)  
Lincoln Telephone and Telegraph Co. (Lincoln)  
MCI  
MFS  
NCTA  
NYNEX

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Organization for the Protection and Advancement of Small Telephone Companies (Opastco)  
Pacific Bell and Nevada Bell  
Southern New England Telephone Co. (SNET)  
Southwestern Bell  
Sprint  
Sprint Telecommunications Venture  
TCA  
Teleport  
Telecommunications Resellers Association  
Time Warner Communications Holdings, Inc., (Time Warner)  
USTA  
US West

Replies

Ad Hoc  
Ameritech  
ALTS  
AT&T  
Bell Atlantic  
BellSouth  
Cincinnati Bell  
Competitive Telecommunications Association (CompTel)  
Comcast  
Cox  
Frontier  
GSA  
GTE  
LDDS  
MCI  
MFS  
NCTA  
NYNEX  
Pacific Bell and Nevada Bell  
Southwestern Bell  
Sprint  
Sprint Telecommunications Venture  
Teleport  
TRA  
Time Warner  
USTA  
US West

**APPENDIX B****AMENDMENTS TO THE CODE OF FEDERAL REGULATIONS****PART 61 -- TARIFFS**

1. The authority citation continues to read as follows:

Authority: Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154.

2. Section 61.47 is amended to remove Section 61.47(g)(6), and revised to read as follows:

**§ 61.47 Adjustments to the SBI; pricing bands**

\* \* \* \* \*

(e) Pricing bands shall be established each tariff year for each service category and subcategory within a basket. Except as provided in paragraphs (f), (g), and (h) of this section, each band shall limit the pricing flexibility of the service category or subcategory, as reflected in the SBI, to an annual increase of five percent, relative to the percentage change in the PCI for that basket, measured from the levels in effect on the last day of the preceding tariff year. For local exchange carriers subject to price caps as that term is defined in § 61.3(x), there shall be no lower pricing band for any service category or subcategory.

\* \* \* \* \*

**(g) Local Exchange Carriers -- Service Categories and Subcategories.**

(1) Local exchange carriers subject to price cap regulation as that term is defined in § 61.3(x) shall use the methodology set forth in paragraphs (a) through (d) of this section to calculate two separate subindexes: One for the DS1 services offered by such carriers and the other for the DS3 services offered by such carriers. The annual pricing flexibility for each of these two subindexes shall be limited to an annual increase of five percent, relative to the percentage change in the PCI for the special access services basket, measured from the last day of the preceding tariff year. There shall be no lower pricing band for these two subindexes.

(2) The upper pricing band for the tandem-switched transport service category shall limit the annual upward pricing flexibility for this service category, as reflected in its SBI, to two percent, relative to the percentage change in the PCI for the trunking

basket, measured from the levels in effect on the last day of the preceding tariff year. There shall be no lower pricing band for the tandem-switched transport service category.

\* \* \* \* \*

(4) Local exchange carriers subject to price cap regulation as that term is defined in § 61.3(x) shall use the methodology set forth in paragraphs (a) through (d) of this section to calculate a separate subindex for the 800 data base vertical features offered by such carriers. The annual pricing flexibility for this subindex shall be limited to an annual increase of five percent, relative to the percentage change in the PCI for the traffic sensitive basket, measured from the last day of the preceding tariff year. There shall be no lower pricing band for this subindex.

\* \* \* \* \*

(h) \* \* \*

(2) The annual pricing flexibility for each of the subindexes specified in paragraph (h)(1) of this section shall be limited to an annual increase of five percent, relative to the percentage change in the PCI for the trunking basket, measured from the levels in effect on the last day of the preceding tariff year. There shall be no lower pricing band for these subindexes.

3. Section 61.49 is amended to remove Section 61.49(d).

#### **PART 69 -- ACCESS CHARGES**

4. The authority citation continues to read as follows:

Authority: Sec. 4, 201, 202, 203, 205, 218, 403, 48 Stat. 1066, 1070, 1077, 1094, as amended; 47 U.S.C. 154, 201, 202, 203, 205, 218, 403.

5. Section 69.4 is amended to read as follows:

#### **§ 69.4 Charges to be Filed**

\* \* \* \* \*

(g) (1) Local exchange carriers subject to price cap regulation as that term is defined in Section 61.3(x) of this chapter may establish one or more switched access rate

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elements for a new service within the meaning of Section 61.42(g) of this chapter, upon approval of a petition demonstrating that:

(i) the establishment of the new rate element or elements would be in the public interest; or

(ii) another local exchange carrier has previously obtained permission to establish one or more rate elements identical to those proposed in the petition to offer the identical service; and the original petition did not rely upon a competitive showing as part of the public interest justification.

(2) The Chief, Common Carrier Bureau shall issue a Public Notice of the filing of a petition under subsection (g)(1)(ii). Parties may file comments in response to such a petition within seven days of the Public Notice. The local exchange carrier shall have authority to introduce new rate elements under subsection (g)(1)(ii) after the expiration of ten days from issuance of the Public Notice, unless the Chief, Common Carrier Bureau informs the LEC that the LEC has not demonstrated that its new service meets the standards of that subsection. The incumbent LEC may then file one subsequent petition for authorization of that service under subsection (g)(1)(ii).