

DUCKET FILE COPY ORIGINAL

BELLSOUTH

Mary L. Henze
Director - Executive and
Federal Regulatory Affairs

EX PARTE OR LATE FILED

Suite 900
1133 - 21st Street, N.W.
Washington, D.C. 20036-3351
202 463-4109
Fax: 202 463-4631
henze.mary@bsc.bls.com

December 12, 1997

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service: CC Dkt No. 96-45

Dear Ms. Salas,

On December 11, Mary Henze and Ernie Bond of BellSouth, Marvin Bailey of Ameritech, Jim Lambertson of Bell Atlantic, Johnne Jones of GTE, Donna Brickell and Jay Bennett of SBC Communications, and BB Nugent of US West met with Elliott Maxwell and Pam Gallant of the Common Carrier Bureau. Jim McConnaughey of NTIA and Elizabeth Jones of the U.S. Department of Agriculture also participated in the meeting.

The discussion focused on implementation issues associated with the Universal Service rural healthcare program. The local exchange carriers emphasized that all telecommunications carriers must have a consistent understanding of how to calculate support for rural healthcare providers in order to ensure that the program is competitively neutral and makes efficient use of Fund resources. The carriers offered several proposals that would provide the detailed structure and guidance necessary to convert the FCC's policy concepts into a workable methodology to calculate rural healthcare support.

Specific topics addressed included: 1) calculating the rural rate; 2) the purpose of the urban rate, its role in the competitive bid process, and whether the carrier or the Administrator is responsible for identifying it; 3) calculating support for distance-based charges; 4) determining and administering the per-location funding limit; and 5) how to adapt calculation and filing procedures to conform to meet-point-billing situations. The LECs also recommended that carriers be required to use and submit a standard support calculation "worksheet" and provided a draft format. All materials provided during the meeting are attached.

021

This notice is being filed today pursuant to Section 1.1206(b)(2) of the Commission's rules. If you have questions concerning this filing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mary L. Henze". The signature is written in black ink and is positioned above the printed name.

Mary L. Henze
Director - Executive and
Federal Regulatory Affairs

cc: E. Maxwell
P. Gallant

Universal Service Rural Healthcare Program

Large LEC Implementation Proposals

Purpose is to provide more detailed implementation structure necessary to convert policy concepts reflected in FCC rules into a workable methodology to calculate rural healthcare support.

Basic Rate/Support Calculations

1. For worksheet calculations, plan to perform individual rural/urban comparability calculations for a) non-recurring, b) flat rate recurring charges, and c) recurring mileage charges.
2. Total universal service support will be determined by combining the results of these three sets of calculations.
3. Performing worksheet calculations in this manner is most consistent with provider rate structures and billing systems.
4. Approved Form 468 rate calculation remains in effect for the life of the contract unless Universal Service rules are modified in manner that requires recalculation.

Determining the RURAL RATE

Note: Guidance in instructions for Form 468 (10b) suggests that provider must locate other rural customers with same service over exact same mileage as RHCP to calculate average. It is very unlikely that any matches would be found and exercise is unnecessary because of way rates are calculated on per mile basis.

Operating Assumptions:

1. If the rural healthcare provider (RHCP) is located in a county that is officially designated as a "rural county" then the entire county is considered the "Rural Area" for purposes of calculating the rural rate. If the RHCP is located in a "pocket" within an urban county that is deemed to be "rural" (based on the Goldsmith Modifications) then only that "rural pocket" is considered the "rural area" for purposes of calculating the rural rate.
 - More information will be required for carriers to determine what geographic area is actually covered by Goldsmith Modifications in order to identify other rural customers.
2. Carriers use the rates* it charges to other commercial rural customers for the same service that the RHCP is requesting. For example, if a RHCP requests ISDN service then carrier uses average of its appropriate ISDN rates; etc.
3. Similarity of service is based on factors that would affect the rate charged, such as volume of lines ordered and other terms. Thus, "rates charged for a similar service" are rates charged by the carrier to other rural customers for the same service with the same volume and terms as requested by the RHCP.
4. If the carrier has multiple qualifying rates within the rural area, including multiple tariffed rates, then it calculates the simple average of those rates to determine the applicable "Rural Rate."

*Rates - the actual price that carriers charge for individual service elements

Average Rural Rate:

| | Non-Recurring | Flat Monthly | Mileage |
|----------------|----------------------|---------------------|----------------|
| Zone Y | \$175.00 | \$70.00 | \$13.50 |
| Zone Z | \$185.00 | \$80.00 | \$15.00 |
| Average | \$180.00 | \$75.00 | \$14.25 |

Determining the URBAN RATE

Operating Assumptions:

1. "No higher than the highest" but need to clarify that it always reflects rates actually charged to urban customers. This assumes that carrier can choose to use rate lower than the highest rate for the urban rate in the calculation.
2. "Tariffed or publicly available rates;" assume that default is for the carrier to use their own tariffed rates and/or their own publicly available rates.
3. Will use rates appropriate for the same service, at the same volume and terms as that requested by the RHCP.

Determining FLAT RATE SUPPORT

1. Non-Recurring Charges

- Identify elements of requested service that are non-recurring charges
- Identify rural and urban rates for relevant non-recurring charges
- RHCP is charged no higher than the urban rate
- Carrier receives support for difference, if any, between rural and urban rate calculations.

2. Recurring Charges

- Identify elements of requested service that have flat-rate recurring charges (i.e., monthly, quarterly, annually)
- Identify rural and urban rates for relevant non-recurring charges
- RHCP is charged no higher than the urban rate
- Carrier receives support for difference, if any, between rural and urban rate calculations.

Determining MILEAGE SUPPORT

Operating Assumptions

1. **Standard Urban Distance (SUD) and Maximum Allowable Distance (MAD) mileage limits apply to miles as provider utilizes them in its standard mileage calculations. For example, for a wireline carrier, if mileage charges are applied to actual circuit miles, then SUD/MAD miles are applied to actual circuit miles as they would be configured for the RHCPs requested service.**
2. **For purposes of calculating the urban rate for the SUD or the support for the MAD, assume:**
 - a) **Use the circuit and rate-band configuration that is dictated by the RHCPs requested service.**
 - b) **SUD and MAD applies to the distance sensitive elements of the service beginning at the point closest to the location of the originating eligible RHCP where distance sensitive charges begin to apply (i.e., this could be at the RHCP location or at the CO if local channel is flat-rated)**
3. **Based on the above assumptions for a SUD of 10 miles:**
 - a) **if first ten miles of the RHCP's requested service includes 3 local channel miles and 7 interoffice miles then calculate urban SUD charge based on the same 3 mile/7mile ratio but using urban rates;**
 - b) **if the RHCP service includes a flat rate recurring local channel charge with distance sensitive charges beginning at CO, then a) local channel rates would be made comparable to urban flat rate local channel rates, and b) SUD charge would be calculated based on distance sensitive charges beginning at the CO.**

Determining TOTAL SUPPORT

1. **Recommend requiring that all carriers use and submit attached worksheet for calculating Universal Service support for rural healthcare providers.**

Draft - For Discussion Only

RURAL HEALTH CARE UNIVERSAL SERVICE FUND

SUPPORT CALCULATION WORKSHEET

| Per Location Funding Limit (Support for single most cost effective service of 1.544Mbps bandwidth): _____ | Monthly Recurring Charges | | | | Non-Recurring Charges | | | |
|---|---------------------------|------------------------|-----------------|----------------------|------------------------|------------------------|---------------------------|----------------------|
| | (a) Urban Rate Charges | (b) Rural Rate Charges | (c) USF Support | (d) Customer Charges | (e) Urban Rate Charges | (f) Rural Rate Charges | (g) USF Support (f) - (e) | (h) Customer Charges |
| BLOCK 1: Non-Recurring Charges - Enter each non-recurring rate | | | | | | | | |
| Rate Element #1 | | | | | | | | |
| Rate Element #2 | | | | | | | | |
| Rate Element #3 | | | | | | | | |
| Subtotal Block 1 | | | | | | | | |

| BLOCK 2: Flat Rate Charges - Enter each flat rate element | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| Rate Element #1: | | | | | | | | |
| Rate Element #2: | | | | | | | | |
| Rate Element #3: | | | | | | | | |
| Subtotal Block 2 | | | | | | | | |

| BLOCK 3: Mileage Sensitive Charges | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| A.) Support for Differences in Rates over the Standard Urban Distance (SUD) | | | | | | | | |
| 1.) SUD = _____ miles | | | | | | | | |
| 2.) Enter mileage-based charges up to the SUD in distance (attach all worksheets with mileage rate elements and applied rate calculations) | | | | | | | | |
| B.) Support of Distances Beyond the Standard Urban Distance (SUD) | | | | | | | | |
| 1.) Total circuit distance point-to-point = _____ miles | | | | | | | | |
| 2.) SUD = _____ miles | | | | | | | | |
| 3.) Circuit miles minus SUD (Line B1-Line B2) = _____ miles | | | | | | | | |
| 4.) Maximum Allowable Distance (MAD) = _____ miles | | | | | | | | |
| 5.) MAD minus SUD (Line B4-Line B2) = _____ miles | | | | | | | | |
| 6.) If circuit miles (B1) < MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | | | | | |
| 7.) If circuit miles (B1) > MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | | | | | |
| C.) Circuit Miles in Excess of Maximum Allowable Distance (MAD) | | | | | | | | |
| 1.) Total circuit distance point-to-point = _____ miles | | | | | | | | |
| 2.) Maximum Allowable Distance (MAD) = _____ miles | | | | | | | | |
| 3.) Total Circuit distance miles (C1) minus MAD miles (C2) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | | | | | |
| Subtotal Block 3 | | | | | | | | |

| BLOCK 4: Total of Blocks 1-3 | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| 1.) Total Blocks 1-3 | | | | | | | | |
| 2.) Enter number of months for which support is requested = _____ months | | | | | | | | |
| 3.) Calculate Total Charges/Support = Total Blocks 1-3 times number months | | | | | | | | |

| BLOCK 5: Grand Total | Total Urban Rate | Total Rural Rate |
|---|------------------|------------------|
| 2.) Grand Total Recurring (Block 4 Line 3) + Non Recurring (Block 4 Line 1) | | |

| Total USF Support | Total Customer Charges |
|-------------------|------------------------|
| | |

Determining PER-LOCATION FUNDING LIMIT

1. Two limitations:

- a) Limitation on eligible services.** Only those commercially available telecommunications services that operate at speeds at or below 1.544 MBps are eligible. The 1.544 Mbps is not an aggregate bandwidth limitation.
- b) Dollar support limitation (Per-Location Funding Limit).** The total amount of support for all requested services per RHCP location is limited to the value of support for a single most cost effective service with a bandwidth of capacity of 1.544 Mbps.
- c) Support for each eligible requested service will be calculated individually.** The total amount of the support for all eligible services requested is limited to the Per-Location Funding Limit.

- 2. For example:** The support for a 1.544 Mbps to an RHCP is determined to be \$10,000 annually. The RHCP requests multiple services (each with speeds of less than 1.544 Mbps) one with a support value of \$5,000/year and the second service with a support value of \$8,000/year. The RHCP could order those services but would receive only \$10,000 in support.

3. Calculating the Per-Location Funding Limit

- a) The selected carrier calculates the Funding Limit.**
- b) The carrier will calculate the amount of support for the most cost-effective 1.544 Mbps service using the standard Universal Service calculations and worksheet, described above, based on the necessary configuration to provide the service as if that 1.544 Mbps was the actual service being requested by the RHCP.**
- c) At same time that carrier is submitting the initial Form 468 for service actually requested by a RHCP, it must also submit a completed Universal Service worksheet showing the calculation for the Funding Limit. (If the requested service is a 1.544 Mbps service then a single worksheet would be sufficient.)**
- d) If RHCP is served by multiple providers, each provider would calculate Funding Limit, and highest limit would be the Funding Limit associated with that RHCP location.**

Meet-Point-Billing Proposal

Meet-Point-Billing situations arise when two or more telecommunications providers are involved in providing a single circuit to a RHCP.

1. In many cases, one or the other telecommunications service provider bills for the entire service. Most frequently the billing carrier is the carrier on the originating end of the circuit. In such "single bill" arrangements, the responsibility for calculating Universal Service support and filing Form 468 and the ability to receive reimbursement would fall solely to the billing provider. Calculations would be performed as outlined above
2. In other cases, and required by some states, each telecommunications service provider is required to bill for their own portion of the service. In these "multiple bill" arrangements, the telecommunications carriers agree upon a percentage split of the mileage charges associated with the circuit. This is called the Billing Interconnection Percentage (BIP). Once the agreement is reached the BIP is filed with NECA.
3. For multiple bill situations:
 - Each carrier would perform standard Universal Service calculations for non-recurring and recurring flat rate charges.
 - Mileage support would be calculated based on total eligible mileage of circuit (SUD and MAD).
 - Resulting support would be split between carriers based upon BIP percentages.
 - Charges for miles above MAD are also split by percentage
4. Impact on Filing Procedures

Ultimately, currently forms (or at least Form 468) should be modified to better accommodate meet-point-billing situations. In the interim, supplemental Q&As can explain an interim procedure using current forms such as:

- a) All carriers involved in MPB situation would coordinate on completing Universal Service forms.
- b) Page two of worksheet could be designed to support these multi-carrier calculations.
- c) Each carrier would fill out a separate 468 identifying total amount of support they are due for their portion of the circuit
- d) These multiple Form 468s and all supporting worksheets for all carriers would be submitted as one submission.

**Rural Health Care
Universal Service Fund
Examples of Support Calculations**

Example 1:

A rural health care provider wishes to connect to another rural health care provider 50 miles distant.

Example 2:

A rural health care provider wishes to connect to another rural health care provider 150 miles distant (50 miles beyond the maximum allowable distance).

Example 3:

A rural health care provider wishes to connect to another rural health care provider 120 miles distant (20 miles beyond the maximum allowable distance). The first 30 miles of the circuit are in rural zone rate bands, the remaining 90 are in urban zone rate bands.

Example 4:

A rural health care provider (RHC) wishes to connect with an urban health care provider 50 miles distant. The RHC is served by a telcom provider called Company 2. The urban provider is served by a different telcom provider, Company 1. The meet-point boundary for the circuit is 25 miles from the RHC.

Example 5:

Meet Point Billing with rural/ urban boundary crossings. Assume Company 1's rural rates = Company 2's rates.

**Rural Health Care
Universal Service Fund
Calculation Worksheet Examples**

Acronyms Used in Calculation Worksheets:

- SUD Standard Urban Distance The average distance across the diameter of all cities of 50,000 population or greater in a geographical region (state)
- MAD Maximum Allowable Distance The distance from the rural health care provider to the farthest point on the boundary of the nearest city of 50,000 population or greater

Examples

Mileage Data

In all of the following examples, the data are held constant

SUD = 5 miles
MAD = 100 miles

Pricing Data

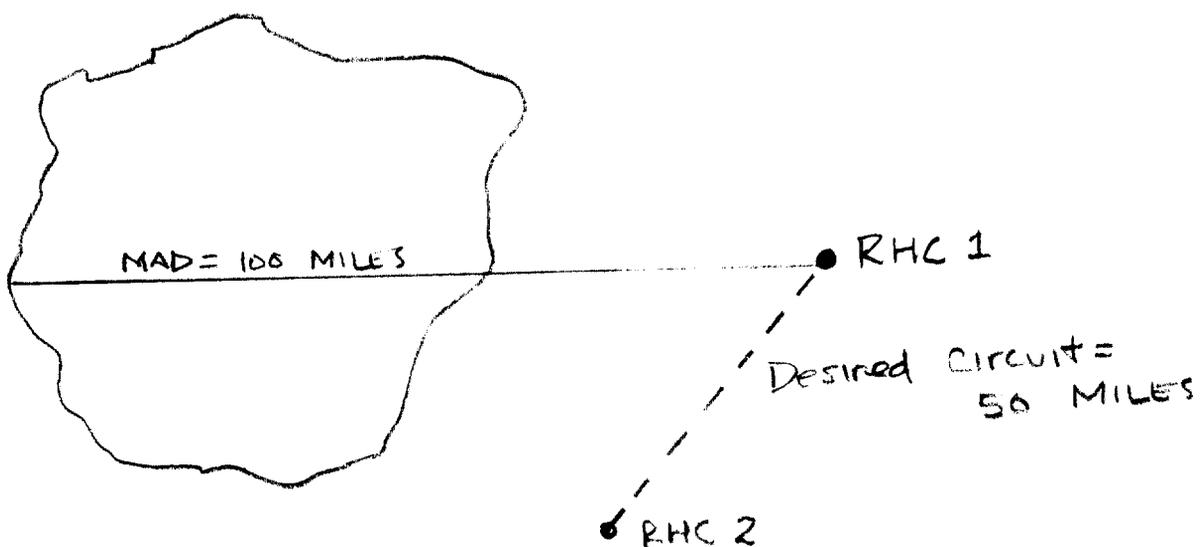
Banded Mileage Charges:

| | Urban Rates | Rural Rates |
|---------------------|-------------|-------------|
| Channel Termination | \$50 | \$60 |
| First Mile | \$20 | \$30 |
| 1-5 Miles | \$12 | \$16 |
| 5-20 Miles | \$11 | \$14 |
| >20 Miles | \$10 | \$12 |

Note: This table will be used also for the meet point billing example. The column labeled urban rates will be the prices used for Company #1 and the column labeled rural rates will be used for Company #2.

Example 1:

A rural health care provider wishes to connect to another rural health care provider 50 miles distant.



RURAL HEALTH CARE UNIVERSAL SERVICE FUND
SUPPORT CALCULATION WORKSHEET

| Per Location Funding Limit (Support for single most cost effective service of 1.544Mbps bandwidth): <u>7500</u> | Monthly Recurring Charges | | | | Non-Recurring Charges | | | |
|---|---------------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|---------------------------------|------------------------------------|----------------------------|
| | (a) Urban Rate Charges | (b) Rural Rate Charges | (c) USF Support | (d) Customer Charges | (e) Urban Rate Charges | (f) Rural Rate Charges | (g) USF Support (f) - (e) | (h) Customer Charges |
| BLOCK 1: Non-Recurring Charges - Enter each non-recurring rate | | | | | | | | |
| Rate Element #1: <u>INSTALLATION</u> | | | | | | | | |
| Rate Element #2: | | | | | | | | |
| Rate Element #3: | | | | | | | | |
| Subtotal Block 1 | | | | | | | | |

| BLOCK 2: Flat Rate Charges - Enter each flat rate element | | | | |
|---|------------|------------|-----------|------------|
| Rate Element #1: <u>CHANNEL TERM - ORIG.</u> | <u>50</u> | <u>60</u> | <u>10</u> | <u>50</u> |
| Rate Element #2: <u>CHANNEL TERM - TERM.</u> | <u>50</u> | <u>60</u> | <u>10</u> | <u>50</u> |
| Rate Element #3: | | | | |
| Subtotal Block 2 | <u>100</u> | <u>120</u> | <u>20</u> | <u>100</u> |

| BLOCK 3: Mileage Sensitive Charges | | | | |
|--|-----------|------------|------------|-----------|
| A.) Support for Differences in Rates over the Standard Urban Distance (SUD) | | | | |
| 1.) SUD = <u>5</u> miles | | | | |
| 2.) Enter mileage-based charges up to the SUD in distance (attach all worksheets with mileage rate elements and applied rate calculations) | <u>68</u> | <u>94</u> | <u>26</u> | <u>68</u> |
| B.) Support of Distances Beyond the Standard Urban Distance (SUD) | | | | |
| 1.) Total circuit distance point-to-point = <u>50</u> miles | | | | |
| 2.) SUD = <u>5</u> miles | | | | |
| 3.) Circuit miles minus SUD (Line B1-Line B2) = <u>45</u> miles | | | | |
| 4.) Maximum Allowable Distance (MAD) = <u>100</u> miles | | | | |
| 5.) MAD minus SUD (Line B4-Line B2) = <u>95</u> miles | | | | |
| 6.) If circuit miles (B1) < MAD miles (B4), enter circuit miles minus SUD miles (B3) = <u>45</u> miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | <u>-</u> | <u>510</u> | <u>570</u> | |
| 7.) If circuit miles (B1) > MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | <u>-</u> | <u>-</u> | <u>-</u> | |
| C.) Circuit Miles in Excess of Maximum Allowable Distance (MAD) | | | | |
| 1.) Total circuit distance point-to-point = _____ miles | | | | |
| 2.) Maximum Allowable Distance (MAD) = _____ miles | | | | |
| 3.) Total Circuit distance miles (C1) minus MAD miles (C2) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal Block 3 | <u>68</u> | <u>664</u> | <u>596</u> | <u>68</u> |

| BLOCK 4: Total of Blocks 1-3 | | | | |
|--|-------------|-------------|------------|------------|
| 1.) Total Blocks 1-3 | <u>616</u> | <u>168</u> | <u>100</u> | <u>400</u> |
| 2.) Enter number of months for which support is requested = _____ months | | | | |
| 3.) Calculate Total Charges/Support = Total Blocks 1-3 times number months | <u>7392</u> | <u>2016</u> | | |

| BLOCK 5: Grand Total | Total USF Support | Total Customer Charges |
|---|-------------------|------------------------|
| 2.) Grand Total Recurring (Block 4 Line 3) + Non Recurring (Block 4 Line 1) | <u>7412</u> | <u>2416</u> |

SUPPORT CALCULATION WORKSHEET

1.) MILEAGE BASED CHARGES UP TO THE
SUB IN DISTANCE SUB = 5

$$\text{URBAN} = (1 \text{ MILE} \times \$20) + (4 \text{ MILES} \times \$12) = \$68$$

$$\text{RURAL} = (1 \text{ MILE} \times \$30) + (4 \text{ MILES} \times \$16) = \$94$$

2.) CIRCUIT MILES LESS THAN MAX MILES:

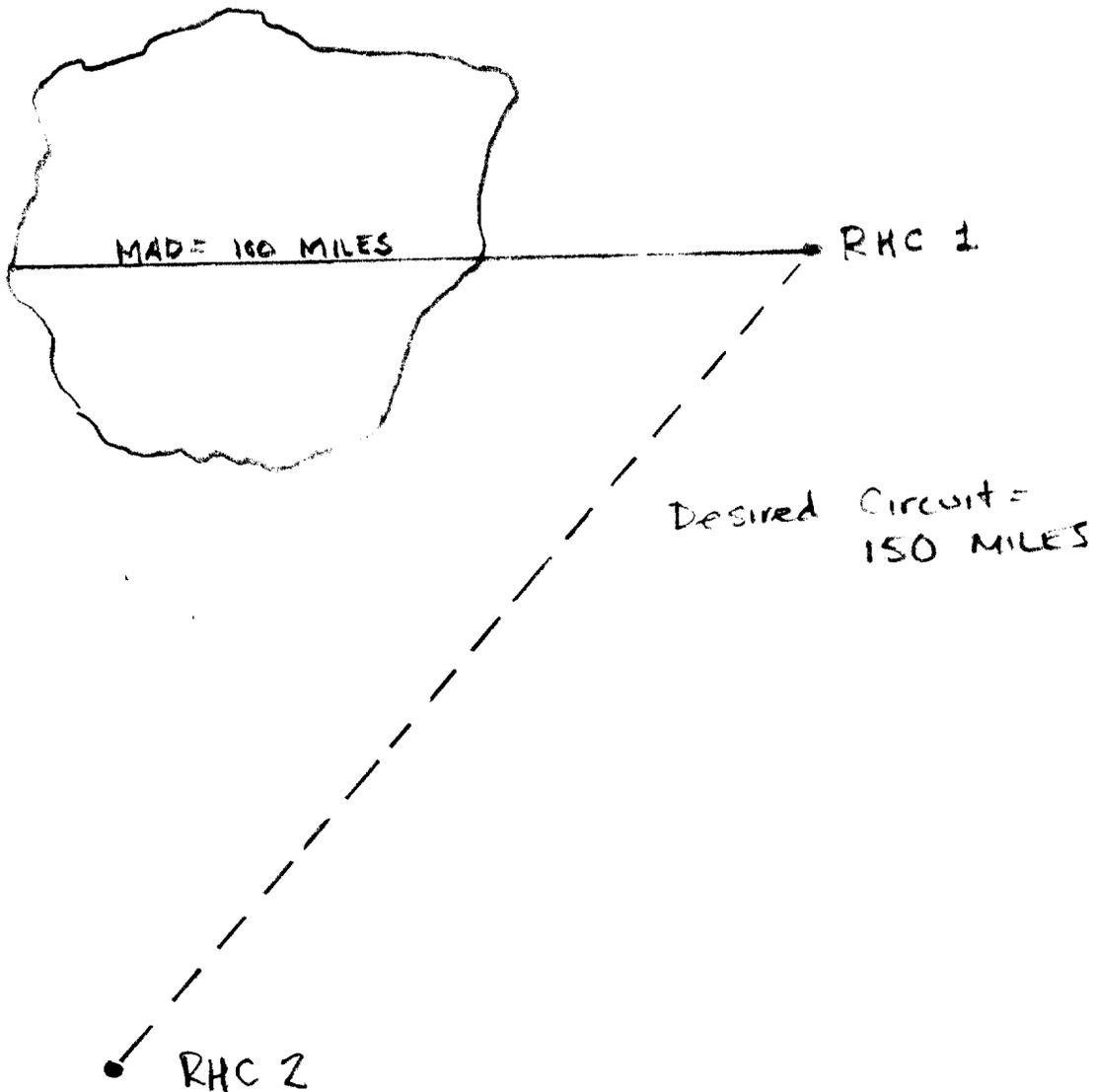
ENTER CIRCUIT MILES MINUS SUB _____

CHARGES:

$$\begin{aligned} \text{Rural} &= (15 \text{ MILES} \times \$14) + (30 \text{ MILES} \times \$12) \\ &= \$570 \end{aligned}$$

Example 2:

A rural health care provider wishes to connect to another rural health care provider 150 miles distant (50 miles beyond the maximum allowable distance).



RURAL HEALTH CARE UNIVERSAL SERVICE FUND
SUPPORT CALCULATION WORKSHEET

| | Monthly Recurring Charges | | | | Non-Recurring Charges | | | |
|--|---------------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|---------------------------------|------------------------------------|----------------------------|
| | (a) Urban Rate Charges | (b) Rural Rate Charges | (c) USF Support | (d) Customer Charges | (e) Urban Rate Charges | (f) Rural Rate Charges | (g) USF Support (f) - (e) | (h) Customer Charges |
| Per Location Funding Limit (Support for single most cost effective service of 1.544Mbps bandwidth): <u>15,000</u> | | | | | | | | |
| BLOCK 1: Non-Recurring Charges - Enter each non-recurring rate | | | | | | | | |
| Rate Element #1: <u>INSTALLATION</u> | | | | | <u>400</u> | <u>500</u> | <u>100</u> | <u>400</u> |
| Rate Element #2: | | | | | | | | |
| Rate Element #3: | | | | | | | | |
| Subtotal Block 1 | | | | | <u>400</u> | <u>500</u> | <u>100</u> | <u>400</u> |
| BLOCK 2: Flat Rate Charges - Enter each flat rate element | | | | | | | | |
| Rate Element #1: <u>CHANNEL TERM - ORIG</u> | <u>50</u> | <u>60</u> | <u>10</u> | <u>50</u> | | | | |
| Rate Element #2: <u>CHANNEL TERM - TERM</u> | <u>50</u> | <u>60</u> | <u>10</u> | <u>50</u> | | | | |
| Rate Element #3: | | | | | | | | |
| Subtotal Block 2 | <u>100</u> | <u>120</u> | <u>20</u> | <u>100</u> | | | | |
| BLOCK 3: Mileage Sensitive Charges | | | | | | | | |
| A.) Support for Differences in Rates over the Standard Urban Distance (SUD) | | | | | | | | |
| 1.) SUD = <u>5</u> miles | | | | | | | | |
| 2.) Enter mileage-based charges up to the SUD in distance (attach all worksheets with mileage rate elements and applied rate calculations) | <u>68</u> | <u>94</u> | <u>26</u> | <u>68</u> | | | | |
| B.) Support of Distances Beyond the Standard Urban Distance (SUD) | | | | | | | | |
| 1.) Total circuit distance point-to-point = <u>150</u> miles | | | | | | | | |
| 2.) SUD = <u>5</u> miles | | | | | | | | |
| 3.) Circuit miles minus SUD (Line B1-Line B2) = <u>145</u> miles | | | | | | | | |
| 4.) Maximum Allowable Distance (MAD) = <u>100</u> miles | | | | | | | | |
| 5.) MAD minus SUD (Line B4-Line B2) = <u>95</u> miles | | | | | | | | |
| 6.) If circuit miles (B1) < MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | - | - | - | | | | | |
| 7.) If circuit miles (B1) > MAD miles (B4), enter circuit miles minus SUD miles (B3) = <u>95</u> miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | - | <u>1170</u> | <u>1170</u> | | | | | |
| C.) Circuit Miles in Excess of Maximum Allowable Distance (MAD) | | | | | | | | |
| 1.) Total circuit distance point-to-point = <u>150</u> miles | | | | | | | | |
| 2.) Maximum Allowable Distance (MAD) = <u>100</u> miles | | | | | | | | |
| 3.) Total Circuit distance miles (C1) minus MAD miles (C2) = <u>50</u> miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | - | - | - | <u>600</u> | | | | |
| Subtotal Block 3 | <u>68</u> | <u>1264</u> | <u>1196</u> | <u>668</u> | | | | |
| BLOCK 4: Total of Blocks 1-3 | | | | | | | | |
| 1.) Total Blocks 1-3 | | | <u>1216</u> | <u>768</u> | | | <u>100</u> | <u>400</u> |
| 2.) Enter number of months for which support is requested = <u>12</u> months | | | | | | | | |
| 3.) Calculate Total Charges/Support = Total Blocks 1-3 times number months | | | <u>14592</u> | <u>9216</u> | | | | |
| BLOCK 5: Grand Total | | | | | | | | |
| Total USF Support | | | | | Total Customer Charges | | | |
| 2.) Grand Total Recurring (Block 4 Line 3) + Non Recurring (Block 4 Line 1) | <u>14692</u> | | | | <u>9616</u> | | | |

SUPPORT CALCULATION WORK SHEET

1.) MILEAGE BASED CHARGES UP TO THE
SUB IN DISTANCE SUB = 5

$$\text{URBAN} = (1 \text{ MILE} \times \$20) + (4 \text{ MILES} \times \$12) = \$68$$

$$\text{RURAL} = (1 \text{ MILE} \times \$30) + (4 \text{ MILES} \times \$16) = \$94$$

2.) CIRCUIT MILES > MAX MILES :

ENTER MAX MINUS SUB MILES _____

CHARGES :

$$\begin{aligned} \text{Rural} &= (15 \text{ MILES} \times \$14) + (80 \text{ MILES} \times \$12) = \\ &= \$210 \quad + \quad \$960 \\ &= \$1170 \end{aligned}$$

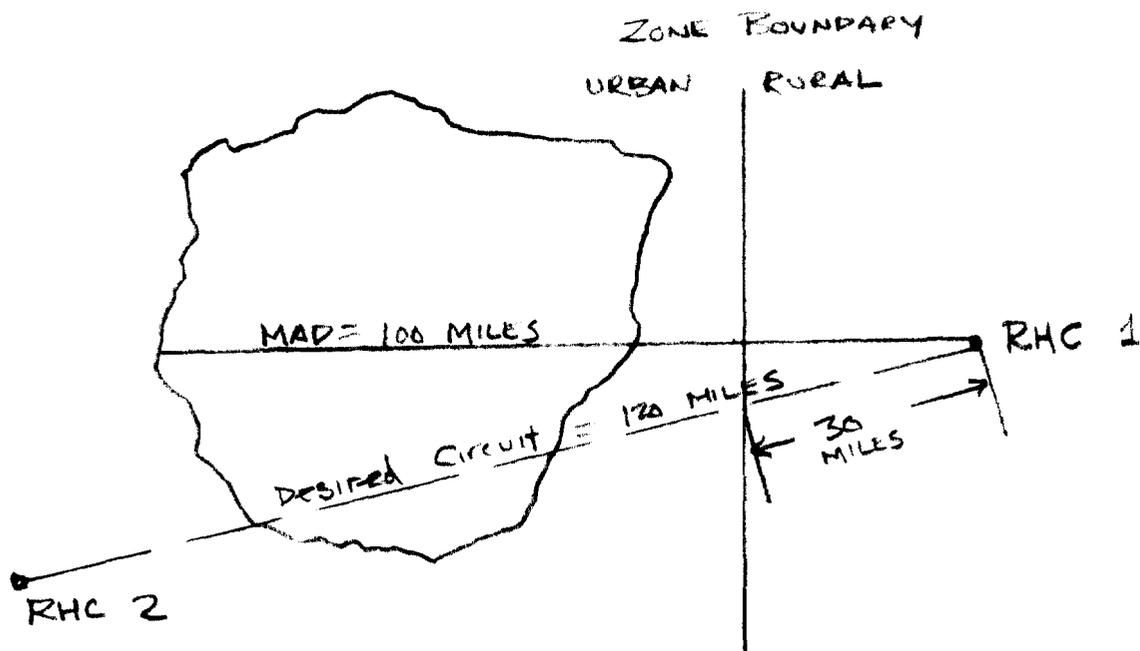
3.) TOTAL CIRCUIT MILES MINUS MAX MILES _____

CHARGES :

$$(50 \text{ Miles} \times \$12) = \$600$$

Example 3:

A rural health care provider wishes to connect to another rural health care provider 120 miles distant (20 miles beyond the maximum allowable distance). The first 30 miles of the circuit are in rural zone rate bands, the remaining 90 are in urban zone rate bands.



RURAL HEALTH CARE UNIVERSAL SERVICE FUND
SUPPORT CALCULATION WORKSHEET

| Per Location Funding Limit (Support for single most cost effective service of 1.544Mbps bandwidth): <u>13,000</u> | Monthly Recurring Charges | | | | Non-Recurring Charges | | | |
|---|---------------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|---------------------------------|------------------------------------|----------------------------|
| | (a) Urban Rate Charges | (b) Rural Rate Charges | (c) USF Support | (d) Customer Charges | (e) Urban Rate Charges | (f) Rural Rate Charges | (g) USF Support (f) - (e) | (h) Customer Charges |
| BLOCK 1: Non-Recurring Charges - Enter each non-recurring rate | | | | | | | | |
| Rate Element #1: <u>INSTALLATION</u> | | | | | <u>400</u> | <u>500</u> | <u>100</u> | <u>400</u> |
| Rate Element #2: | | | | | | | | |
| Rate Element #3: | | | | | | | | |
| Subtotal Block 1 | | | | | <u>400</u> | <u>500</u> | <u>100</u> | <u>400</u> |

| BLOCK 2: Flat Rate Charges - Enter each flat rate element | | | | |
|---|------------|------------|-----------|------------|
| Rate Element #1: <u>CHANNEL TERM - DRIC</u> | <u>50</u> | <u>60</u> | <u>10</u> | <u>50</u> |
| Rate Element #2: <u>CHANNEL TERM - TERM</u> | <u>50</u> | <u>50</u> | <u>0</u> | <u>50</u> |
| Rate Element #3: | | | | |
| Subtotal Block 2 | <u>100</u> | <u>110</u> | <u>10</u> | <u>100</u> |

| BLOCK 3: Mileage Sensitive Charges | | | | |
|--|------------|-------------|-------------|------------|
| A.) Support for Differences in Rates over the Standard Urban Distance (SUD) | | | | |
| 1.) SUD = <u>5</u> miles | | | | |
| 2.) Enter mileage-based charges up to the SUD in distance (attach all worksheets with mileage rate elements and applied rate calculations) | <u>68</u> | <u>94</u> | <u>26</u> | <u>68</u> |
| B.) Support of Distances Beyond the Standard Urban Distance (SUD) | | | | |
| 1.) Total circuit distance point-to-point = <u>120</u> miles | | | | |
| 2.) SUD = <u>5</u> miles | | | | |
| 3.) Circuit miles minus SUD (Line B1-Line B2) = <u>115</u> miles | | | | |
| 4.) Maximum Allowable Distance (MAD) = <u>100</u> miles | | | | |
| 5.) MAD minus SUD (Line B4-Line B2) = <u>95</u> miles | | | | |
| 6.) If circuit miles (B1) < MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | |
| 7.) If circuit miles (B1) > MAD miles (B4), enter circuit miles minus SUD miles (B3) = <u>95</u> miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | <u>1030</u> | <u>1030</u> | |
| C.) Circuit Miles in Excess of Maximum Allowable Distance (MAD) | | | | |
| 1.) Total circuit distance point-to-point = <u>120</u> miles | | | | |
| 2.) Maximum Allowable Distance (MAD) = <u>100</u> miles | | | | |
| 3.) Total Circuit distance miles (C1) minus MAD miles (C2) = <u>20</u> miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | <u>-</u> | <u>-</u> | <u>-</u> | <u>200</u> |
| Subtotal Block 3 | <u>768</u> | <u>424</u> | <u>1056</u> | <u>268</u> |

| BLOCK 4: Total of Blocks 1-3 | | | | |
|--|--|--------------|-------------|--|
| 1.) Total Blocks 1 -3 | | <u>1066</u> | <u>368</u> | |
| 2.) Enter number of months for which support is requested = <u>12</u> months | | | | |
| 3.) Calculate Total Charges/Support = Total Blocks 1-3 times number months | | <u>12792</u> | <u>4416</u> | |

| BLOCK 5: Grand Total | Total USF Support | Total Customer Charges |
|---|-------------------|------------------------|
| 2.) Grand Total Recurring (Block 4 Line 3) + Non Recurring (Block 4 Line 1) | <u>12892</u> | <u>4816</u> |

SUPPORT CALCULATION WORK SHEET

1.) MILEAGE BASED CHARGES UP TO THE
SUB IN DISTANCE SUB = 5

$$\text{URBAN} = (1 \text{ MILE} \times \$20) + (4 \text{ MILES} \times \$12) = \$68$$

$$\text{RURAL} = (1 \text{ MILE} \times \$30) + (4 \text{ MILES} \times \$16) = \$94$$

2.) CIRCUIT MILES > MAD MILES :

ENTER MAD MINUS SUB MILES 95 MILES

CHARGES :

~~$$(15 \text{ Miles} \times \$14) + (10 \text{ Miles} \times \$12) +$$

$$(70 \text{ Miles} \times \$10)$$~~

$$= \$210 + \$120 + \$700$$

$$= \$1030$$

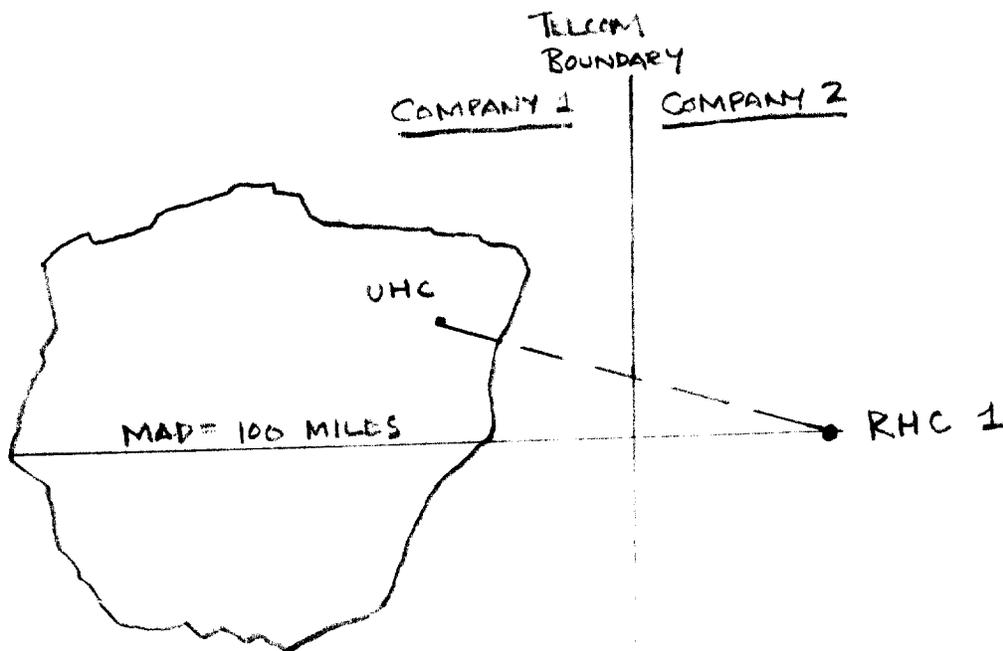
3.) TOTAL CIRCUIT MILES MINUS MAD MILES 20 MILES

CHARGES :

~~$$20 \text{ miles} \times \$10 = \$200$$~~

Example 4:

A rural health care provider (RHC) wishes to connect with an urban health care provider 50 miles distant. The RHC is served by a telcom provider called Company 2. The urban provider is served by a different telcom provider, Company 1. The meet-point boundary for the circuit is 25 miles from the RHC.



MEET POINT:

RURAL HEALTH CARE UNIVERSAL SERVICE FUND
SUPPORT CALCULATION WORKSHEET

JOINT WORKSHEET -

| Per Location Funding Limit (Support for single most cost effective service of 1.544Mbps bandwidth): | Monthly Recurring Charges | | | | Non-Recurring Charges | | | |
|---|---------------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|---------------------------------|------------------------------------|----------------------------|
| | (a) Urban Rate Charges | (b) Rural Rate Charges | (c) USF Support | (d) Customer Charges | (e) Urban Rate Charges | (f) Rural Rate Charges | (g) USF Support (f) - (e) | (h) Customer Charges |
| | | | | | 400 | 500 | 100 | 400 |
| BLOCK 1: Non-Recurring Charges - Enter each non-recurring rate | | | | | 400 | | 0 | 400 |
| Rate Element #1 | | | | | | | | |
| Rate Element #2 | | | | | | | | |
| Rate Element #3 | | | | | | | | |
| Subtotal Block 1 | | | | | | | | |

| BLOCK 2: Flat Rate Charges - Enter each flat rate element | (a) | (b) | (c) | (d) |
|---|-----|-----|-----|-----|
| Rate Element #1: CHANNEL TERM - ORIG | 60 | 50 | 10 | 50 |
| Rate Element #2: CHANNEL TERM - TERM | 50 | 0 | 0 | 50 |
| Rate Element #3: | | | | |
| Subtotal Block 2 | | | 10 | 100 |

| BLOCK 3: Mileage Sensitive Charges | (a) | (b) | (c) | (d) |
|--|-----|-----|-----|-----|
| A.) Support for Differences in Rates over the Standard Urban Distance (SUD) 1.) SUD = 5 miles | | | | |
| 2.) Enter mileage-based charges up to the SUD in distance (attach all worksheets with mileage rate elements and applied rate calculations) | 68 | 94 | 26 | 68 |
| B.) Support of Distances Beyond the Standard Urban Distance (SUD) 1.) Total circuit distance point-to-point = 50 miles | | | | |
| 2.) SUD = 5 miles | | | | |
| 3.) Circuit miles minus SUD (Line B1-Line B2) = 45 miles | | | | |
| 4.) Maximum Allowable Distance (MAD) = 100 miles | | | | |
| 5.) MAD minus SUD (Line B4-Line B2) = 95 miles | | | | |
| 6.) If circuit miles (B1) < MAD miles (B4), enter circuit miles minus SUD miles (B3) = 45 miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | 553 | | 553 |
| 7.) If circuit miles (B1) > MAD miles (B4), enter circuit miles minus SUD miles (B3) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | |
| C.) Circuit Miles in Excess of Maximum Allowable Distance (MAD) 1.) Total circuit distance point-to-point = _____ miles | | | | |
| 2.) Maximum Allowable Distance (MAD) = _____ miles | | | | |
| 3.) Total Circuit distance miles (C1) minus MAD miles (C2) = _____ miles. Calculate charges (attach all worksheets with mileage rate elements and applied rate calculations) | | | | 0 |
| Subtotal Block 3 | | | 579 | 0 |

| BLOCK 4: Total of Blocks 1-3 | (a) | (b) | (c) | (d) |
|--|-----|-----|------|------|
| 1.) Total Blocks 1-3 | | | 589 | 168 |
| 2.) Enter number of months for which support is requested = 12 months | | | | |
| 3.) Calculate Total Charges/Support = Total Blocks 1-3 times number months | | | 7068 | 2016 |

| BLOCK 5: Grand Total | Total USF Support | Total Customer Charges |
|---|-------------------|------------------------|
| 2.) Grand Total Recurring (Block 4 Line 3) + Non Recurring (Block 4 Line 1) | 7168 | 2816 |

SUPPORT CALCULATION WORKSHEET

1.) MILEAGE BASED CHARGES UP TO THE
SUB IN DISTANCE Sub = 5 Miles

$$\text{URBAN} = (1 \text{ MILE} \times \$20) + (4 \text{ MILES} \times \$12) = \$68$$

$$50\% \text{ fn\#1} = \underline{\$34} \quad 50\% \text{ fn\#2} = \underline{\$34}$$

$$\text{RURAL} = (1 \text{ MILE} \times \$30) + (4 \text{ MILES} \times \$16) = \$94$$

~~50% fn\#1~~

2.) CIRCUIT MILES LESS THAN MAX MILES:

ENTER CIRCUIT MILES MINUS SUB 45 Miles

CHARGES:

Company #1 - ~~61.50~~:

$$(15 \text{ Miles} \times \$14) + (5 \text{ Miles} \times \$12) = \$270$$

Company #2 - ~~61.50~~

$$(1 \text{ Mile} \times \$20) + (4 \text{ Miles} \times \$12) +$$

$$(15 \text{ Miles} \times \$11) + (5 \text{ Miles} \times \$10) = \$283$$

$$\text{Total} = \$553$$

~~50% Company #1 = 270.50~~
~~50% Company #2 = 282.50~~