

FCC MAIL SECTION



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION

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Released: January 9, 1998

**Puerto Rico Telco Petitions the Commission
for Clarification of 1997 Access Order
CC Docket No. 97-149**

Pleading Cycle Established

Comments: January 25, 1998

Reply Comments: February 1, 1998

On December 31, 1997, Puerto Rico Telephone Company (PRTC), filed a petition with the Commission to clarify the future applicability of Section 65.820(d), 47 C.F.R. § 65.820(d) of the Commission's Rules.

PRTC states that carriers have a number of options for determining cash working capital (CWC). Class A carriers may use their actual net lag period, based on a full lead-lag study or the simplified formula method. Class B carriers may calculate the CWC allowance using the standard allowance prescribed by the Chief of the Common Carrier Bureau. PRTC asserts that since it is a Class A carrier and it elected to calculate CWC using the simplified formula method. PRTC state that it elected to calculate CWC using the simplified formula method to determine net-lag days. In its *Order*¹ in the 1997 Annual Access Tariff Filing the Commission rejected PRTC's lead-lag study and imposed a fifteen day standard allowance, a standard it has previously recognized as an appropriate standard allowance for Class B carriers.

Section 65.820(d) provides that once a carrier has selected a method of determining its CWC allowance, it may not change to another optional method from year to year without Commission approval. PRTC states that the intended effect of the provision is to prevent carriers from strategically selecting among the available options from year to year in an effort to maximize the CWC result. PRTC argues that Section 65.820(d) only prevents carriers from changing from one optional method to another, but does not apply when the Commission imposes an option as it did in its *Order*. PRTC asserts that it could develop its future CWC allowance using the simplified formula method without prior Commission approval and would have continued to utilize the simplified method in the absence of the Commission's directive to use the fifteen day standard allowance for future tariff filings. PRTC argues, therefore, that the Commission should clarify that this prohibition does not apply to PRTC in the instant case.

Interested parties may file comments on Puerto Rico Telephone Company petition no later than **January 25, 1998**. Replies must be filed by **February 1, 1998**. When filing comments and/or replies, please reference the internal file number: **CPD/CPD 98-3**.

¹ 1997 Annual Access Tariff Filings, Memorandum Opinion and Order, CC Docket No. 97-149, FCC 97-403 (rel. Dec. 1, 1997) (*Order*).

An original and four copies of all comments and replies must be filed in accordance with Section 1.51(c) of the Commission's Rules, 47 C.F.R. § 1.51(c). In addition, one copy of each pleading must be filed with International Transcription Services (ITS), the Commission's duplicating contractor, at its office at 1231 - 20th Street, N.W., Washington, D.C. 20036 and one copy with the Chief, Competitive Pricing Division, Room 518, 1919 M Street, N.W., Washington, D.C. 20554.

For further information contact, Wanda M. Harris, Competitive Pricing Division, Common Carrier Bureau, (202) 418-1530.

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