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DEC 29 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
January 1, 1998 Access Reform Tariff Filings )

Transmittal Nos. 1016, 477

97-249  
97-250 ✓

OPPOSITION OF BELL ATLANTIC

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**OPPOSITION OF BELL ATLANTIC<sup>1</sup>**

The petitioners' here offer up a varied hodgepodge of claims in an effort to distort this tariff review into an opportunity to obtain further reductions in carrier rates. Most of the arguments raised by the petitioners have already been addressed in Bell Atlantic's reply comments on its tariff support materials,<sup>2</sup> a copy of which is attached and incorporated here by reference. In addition, the few new claims they make here either are in direct conflict with existing Commission orders and directives, or address issues that are outside the scope of this tariff proceeding. As such, the petitions on these issues should simply be rejected.

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<sup>1</sup> The Bell Atlantic telephone companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; Bell Atlantic-West Virginia, Inc.; New York Telephone Company; and New England Telephone and Telegraph Company. The first seven listed carriers operate subject to the interstate tariff Bell Atlantic FCC No. 1 ("Bell Atlantic Tariff"). The other two carriers, the former NYNEX companies, operate subject to the interstate tariff NYNEX FCC No. 1 ("NYNEX Tariff").

<sup>2</sup> *Support Materials for Carriers to File to Implement Access Charge Reform Effective January 1, 1998*, Reply Comments of Bell Atlantic (filed Dec. 18, 1997) ("TRP Reply").

Viewed most broadly, the various claims lodged by the petitioners primarily seek to reduce the rates paid by the petitioners by increasing the rates paid by end-users. Bell Atlantic has filed cost-based rates that are consistent with the Commission's directives, and believes that that the petitions can and should be rejected without any need for a further investigation.

Should the Commission disagree and elect to investigate any portion of Bell Atlantic's filing, however, it should not penalize Bell Atlantic's good faith efforts to correctly calculate its rates. In several recent orders, the Commission has turned similar issues of how to allocate cost-recovery among different classes of customers into an absolute reduction in overall rates.

In this filing, where the Commission's reforms have required new calculations for the most significant access charges (as well as the creation and calculation of multiple new rate elements), the Commission simply cannot, consistent with fundamental notions of due process, impose such an onerous and punitive remedy. Instead, the Commission should make clear in any order initiating an investigation that it is approving the filed rates as temporary rates under Section 204(b), subject to a true-up at the close of any investigation, with the possibility that individual rates may be adjusted either upward or downward to cure any previous misallocation.

**I. Bell Atlantic Appropriately Calculated New Rate Elements for Non-Traffic Sensitive Costs.**

As an initial matter, the petitioners here claim that the local exchange carriers have inadequately justified their new rate elements to recover non-traffic sensitive costs. In Bell Atlantic's case, they are wrong.

In reality, Bell Atlantic's tariff filing provides detailed explanations of how the costs supporting its new non-traffic elements were calculated. Bell Atlantic further supplemented that filing with additional detail in its TRP reply. The petitioners, however, completely ignore all of this detailed information. As a result, the petitioners have raised no legitimate basis to question the actual cost calculations used to set rates here.

For example, rather than address the specific detail filed by Bell Atlantic, MCI complains that the percentage of non-traffic sensitive costs doesn't match a rough estimate cited by USTA in its Access Reform comments. MCI Pet. at 4. What MCI does not acknowledge however, is that the USTA estimate was a wide range (between 6 and 51 percent) depending on the mix of technology deployed.<sup>3</sup> Moreover, that estimate -- provided only as an illustrative example and not a rate-making tool -- was based on only a single state.

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<sup>3</sup> *Access Charge Reform*, CC Docket No. 96-262, Comments of the United States Telephone Association at 31 (filed Jan. 29, 1997). MCI also obfuscates the issue by comparing a line port percentage based on revenues with a prior estimate based on revenue requirements. In fact, as demonstrated in MCI's own Exhibit B, comparing the costs as a percentage of revenue requirement is well within the range of the level suggested in the USTA Comments and closer to the top of that range.

MCI also repeats its complaints about Bell Atlantic's use of the Switching Cost Information System ("SCIS") model developed by Bellcore. But as Bell Atlantic previously showed, that model already has been exhaustively reviewed by the Commission. MCI tries to downplay the significance of that review by claiming that it was limited to the context of the ONA investigation. MCI Pet. at 6. In fact, such characterization dramatically understates the scope of the multi-year review. Through analysis by independent auditors and detailed review by Commission staff, the Commission concluded that the model is "internally valid," "fundamentally sound" and appropriate for use in calculating cost-based rates.<sup>4</sup> Nothing in the petitions offers a basis to reopen that conclusion.

AT&T continues to argue that local exchange carriers have failed to provide adequate data to evaluate their ISDN line port charges. AT&T Pet. at 20. But AT&T ignores the detailed data that Bell Atlantic already filed. *See* description in Bell Atlantic TRP Reply at 4. Moreover, where AT&T sought more information, Bell Atlantic provided additional data which broke down certain line port costs by switch type and manufacturer. *Id.* at Attachment A.

Bell Atlantic has also already responded to MCI's arguments concerning the calculation of Bell Atlantic's SS7 rate element. MCI seeks to bolster its petition here by arguing that Bell Atlantic's cost calculations differ from a prior Bell Atlantic estimate of SS7 costs. MCI Pet. at 9. But that estimate was calculated more than five years ago, and

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<sup>4</sup> *Open Network Architecture Tariffs*, 9 FCC Rcd 440, 471 (1993).

cannot be used to call into question cost estimates based on the current network and technology.

AT&T complains that Bell Atlantic did not remove additional costs from the TIC to create a separate rate for multiplexers between the tandem and the serving wire center, and to assess a new flat-rate multiplexer charge on the purchasers of dedicated DS3 trunks to the tandem serving wire center. AT&T Pet. at 12. But, as Bell Atlantic has already explained, under the current rate structure, a DS3 mux rate element already exists and would apply to a customer using a DS3 entrance facility for switched services, including tandem switched transport.

Moreover, Bell Atlantic has no purchasers of dedicated DS3 trunks on the serving wire center side of the access tandem. While Bell Atlantic trunks have been used for long distance carriers for transport from the access tandem to their facilities, they are not defined as a dedicated trunks since the type of facility is at the discretion of Bell Atlantic.<sup>5</sup>

## **II. Bell Atlantic Appropriately Calculated Its TIC Rates.**

MCI acknowledges that “LECs have computed their capped per-minute TIC rates using the CAP-1 chart released by the [Common Carrier] Bureau.” MCI Pet. at 16. It

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<sup>5</sup> Even if the Commission were to require a separate rate element in addition to the current DS3/Mux at the serving wire center, it would terminate on July 1, when the unitary rate structure is eliminated.

nevertheless complains that the tariffs filed by Bell Atlantic and other local exchange carriers should be investigated because they did not follow MCI's preferred deviation from the Commission approved form. MCI's proposal would reduce the TIC by spreading the revenue requirement associated with the cost of transport facilities to usage where this revenue requirement may not be recovered (i.e. over lines transported through competitive access providers ("CAPs")). The result of such an absurd calculation would be to guarantee that LECs will not have an opportunity to recover their legitimate costs.<sup>6</sup> MCI's cynical argument must be rejected.<sup>7</sup>

AT&T argues that the proposed TIC rates for the former NYNEX companies exceed the TIC caps for those companies. AT&T Pet. at 16. But the caps cited by AT&T are *average* capped rates, which do not take into account the pricing flexibility granted NYNEX in LATA 132. The rates AT&T cites as being too high only apply *outside* LATA 132. Bell Atlantic filed separate rates *inside* LATA 132, which are significantly lower. All NYNEX rates averaged together are within the allowable caps.<sup>8</sup>

AT&T also complains that Bell Atlantic did not use "all of the exogenous TIC costs" in its recalculations of the residual TIC. AT&T Pet. at 11. But, as Bell Atlantic

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<sup>6</sup> Additionally, MCI's claim that the Section 69.155 rule is inconsistent with the CAP-1 form calculation is incorrect. Section 69.155 (c)(1) requires that the facility related costs remaining in the TIC not be assessed upon minutes "utilizing the local exchange carrier's local switching facilities, but not the local exchange carrier's transport service" and that is exactly what the CAP-1 methodology does. By recovering facilities related costs remaining in the TIC through a supplemental rate that is only applied to LEC transport minutes, none of the facility related cost remaining in the TIC is recovered from CAP usage.

<sup>7</sup> For the same reason, the Commission should reject MCI's petition for reconsideration of this issue. *See Support Material for Carriers*, DA 97-2345, US West Opposition to MCI's Petition for Reconsideration (filed Dec. 18, 1997).

<sup>8</sup> *See* Bell Atlantic Transmittal 477 (NYNEX Tariff), D&J at 23.

explained in its TRP Reply (at 7), there was no need for Bell Atlantic even to recalculate its residual TIC. The recalculation was only necessary if there was an excess targeting of X factor reductions to the TIC in the July 1 tariff. There was no excess for the Bell Atlantic tariffs. Indeed, Bell Atlantic provided the very calculations sought by AT&T to demonstrate that no further adjustment was necessary. *Id.* at Attachment B.

### **III. Bell Atlantic Appropriately Calculated Its PICCs.**

MCI argues that Bell Atlantic cannot use a one-month snapshot of line demand to calculate presubscribed interexchange carrier charges (“PICCs”), but should instead provide a true-up mechanism for changes in demand within a billing cycle. MCI Pet. at 20. The Commission has already directly addressed and rejected MCI’s arguments. To avoid “potential administrative difficulties,” the Commission expressly permitted “LECs to assess the full PICC at the beginning of each billing cycle” – just as Bell Atlantic has proposed.<sup>9</sup>

AT&T argues that an error in Bell Atlantic’s CAP-1 form results in overstatement of its originating per-minute rate. AT&T Pet. at 36. While AT&T has identified a Bell Atlantic error, it is wrong about its impact. Bell Atlantic mistakenly entered \$13,911,871 as revenue on CAP-1 line 179, “Other PICC Revenue.” In fact, that amount should have been entered on line 175, “Business Centrex Revenue.” The change in designation does not affect any of Bell Atlantic’s rate adjustments. Nevertheless, concurrently with this filing, Bell Atlantic is filing an amended TRP to correct the error.

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<sup>9</sup> *Access Charge Reform*, CC Docket No. 96-262, First Report and Order at ¶ 92 (rel. May 16, 1997) (“Access Reform Order”).

AT&T also claims that Bell Atlantic made an additional error because the marketing minute of use rate included in the originating common line charge exceeds the maximum permissible level calculated in Bell Atlantic's CAP-1. AT&T Pet. at 37. In doing so, however, AT&T fails to recognize the role the CAP-1 form plays in the rate making process. The CAP-1 form is used to calculate initial caps on rates, but it may not reflect final rate making by a carrier.<sup>10</sup> In setting actual rates, Bell Atlantic lowered the TIC rate below the allowable cap. This change reduced the residual TIC revenue, which in turn changed the allowable marketing minute of use rate.<sup>11</sup>

#### **IV. Bell Atlantic Appropriately Calculated Its End User Common Line (EUCL) Charges.**

Petitioners complain that there is no consistency among the different local exchange carriers in the way they identify non-primary lines. There is no reason to expect such consistency.<sup>12</sup> The Commission elected not to issue a common definition prior to this filing, and carriers were left to implement their own definition. Bell Atlantic's definition -- which is not specifically attacked by any of the petitioners, is

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<sup>10</sup> Indeed, Bell Atlantic filed its CAP-1 form as part of its TRP filing -- *before* rates were actually set by the company.

<sup>11</sup> The originating marketing per minute of use rate is mandated to be the lesser of 1) the calculated residual marketing originating minute of use rate, or 2) the total maximum originating minute of use rate, less the common line minute of use rate, less the TIC per minute of use, less the supplemental TIC per minute of use. As a result of the reduced TIC, this latter amount was increased. *See* attached workpapers (Exhibit A).

<sup>12</sup> Petitioners also argue that the EUCL charge count must match the PICC count because Bell Atlantic must impose EUCL charges on official communication lines. But such a change would be inconsistent with Commission rules, which limit the EUCL charge to end-users. *See* 47 CFR § 69.2(m) (exempting incumbent local exchange carriers from the definition of end-users).

precise and defines a specific group of customer lines. This is the same definition -- more than one residence subscriber line of a billing name customer at a single service address -- that Bell Atlantic proposed in its comments in the rule making docket to define non-primary residential lines.<sup>13</sup> Bell Atlantic has applied this definition by using samples from actual billing records. While the Commission may wish to change to a uniform definition during the tariff period, there is no basis to challenge Bell Atlantic's line count under the existing rules.

AT&T would use census data, its theoretical Hatfield model, and LEC marketing estimates as a check on LEC non-primary line count accuracy. AT&T Pet. at 31. AT&T makes no effort to link this hodgepodge of conjectural sources to the actual definitions used by Bell Atlantic. Moreover, none of the petitioners offer any argument why their *expectations* concerning the percentage of non-primary lines should have any weight when compared to the actual billing data relied on by Bell Atlantic to calculate its non-primary demand projection.

AT&T also claims that "most LECs" have improperly reduced EUCLs for Lifeline customers. *Id.* at 28. Regardless of what "most" companies may have done, Bell Atlantic calculated its end user revenues (in order to set carrier common line charges), it included a full \$3.50 for all Lifeline customers.<sup>14</sup>

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<sup>13</sup> *See Defining Primary Lines*, CC Docket No. 97-181, Comments of Bell Atlantic (filed Sept. 25, 1997).

<sup>14</sup> *See* Transmittal No. 477, the NYNEX Telephone Companies, Appendix A, Workpaper CL Rate Detail, pages 1 and 2 and Appendix B, RTE-1, page 1; Transmittal No. 1016, the Bell Atlantic Telephone Companies, Appendix D, RTE-1, page 1.

The Petitioners complain that Bell Atlantic's current calculation of Base Factor Portion ("BFP") costs underlying its EUCL rates is flawed as the result of past errors. AT&T Pet. at 4; MCI Pet. at 22. In reality, the BFP calculations are fully consistent with the methodology just adopted by the Commission. As a result, there is no basis for any investigation on this issue.

Petitioners base their claim of errors in prior years on the results of applying the Commission's new autoregression methodology to those past year. But this newly adopted methodology cannot serve as a basis for finding those previous rates unreasonable. When the Commission adopted a new methodology in its 1997 Access Tariff Order, it applied its methodology only to the current tariff year. The order was so limited for good reason. The autoregression model requires a track record of historical data before it even arguably can produce a reliable estimate of costs on a going forward basis. As a result, the autoregression model could not have been used in the initial years to estimate the amount of BFP costs for then upcoming tariff years. It would be completely arbitrary to use a methodology that was unavailable at the time, as the yardstick to evaluate past cost projections – particularly when those projections were based on the best information then available.

Moreover, petitioners claims misconstrue how rates that are based on the BFP costs are set. The total amount of cost that can be recovered through rates in any single year is determined by the price cap index for the Common Line Basket. Once a new tariff year begins, however, the Common Line Basket price index is adjusted by the price

cap formula -- an adjustment that is wholly unrelated to the BFP calculations.<sup>15</sup> Thus, even if there were errors in prior years, they could have no impact on current rates.

AT&T also argues that Bell Atlantic should have adjusted its BFP cost estimates in the tariff for the seven original telephone companies in response to the 1997 tariff investigation order. AT&T Pet. at 6. But as Bell Atlantic explained in its description and justification of this tariff filing, its tariff already included the specific correction required by the Commission's order. Moreover, using the Commission's methodology would have no impact on BFP costs.<sup>16</sup> As a result, there were simply no changes that were required, or even possible, based on the Commission's order.

The petitioners also claim that the rates in the current tariffs should be reduced by the amount of supposed overpayments in prior years. These claims are spurious, since this proceeding cannot be used to order refunds of rates paid in prior years under valid and effective tariffs. In any event, it is also clear that this tariff filing is not the appropriate forum to evaluate those arguments. Because any alleged past overpayment can have no impact on the rates included in this filing, the Commission cannot include such claims as an issue in any investigation here.

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<sup>15</sup> *See* 47 C.F.R. § 61.45(c). Because changes in carrier common line ("CCL") revenues in prior periods would be offset by changes in end user revenues, the total Common Line basket revenues do not change. In the following year, the BFP forecast determines the new tariff year SLC revenues. The CCL is based on the remainder, with no carry forward effect from prior years.

<sup>16</sup> *See* D&J at 5 ("To ensure that no changes could nevertheless be required as a result of the Commission's Order, Bell Atlantic-South recalculated its per line BFP forecast using the methodology prescribed for LECs in the 1997 Access Tariff Order."). The result (*see* Workpaper BFP-S) "produced the same per-line BFP forecast (\$5.32) as that filed for effect on July 1, 1997." *Id.*

AT&T inexplicably argues that Bell Atlantic “*increased* primary residential line/single line business EUCLs” for “unknown reasons.” In fact, AT&T’s own worksheet demonstrates that Bell Atlantic’s primary residential line/single line business EUCL’s *decreased*.<sup>17</sup>

AT&T also would increase rates paid by end-users by including general support facility (“GSF”) costs in the calculation of maximum end-user charges. AT&T Pet. at 35. AT&T has no basis for a complaint however, because the exclusion of GSF costs was required by the CAP-1 form adopted for use here by the Bureau.<sup>18</sup> Regardless, the adjustment of the BFP per line is reasonable since the impact of the Part 69 rule change affects the amount of GSF cost that is allocated to the Common Line category and to the Base Factor Portion. Including only an exogenous cost adjustment for the Common Line basket PCI, would have the effect of only reflecting the reduction in GSF in the Common Line category to the Carrier Common Line rates and not to end user rates.<sup>19</sup>

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<sup>17</sup> **See** AT&T Petition at Exhibit MLB-DMD, Page 1 (compare column B with column G).

<sup>18</sup> The GSF Order was released on November 26, well after the TRP was finalized. Upon release of this order, USTA sought clarification from the FCC Competitive Pricing Division for proper treatment of GSF in this filing. USTA was advised to include such an amount on line 860 of the CAP-1 form. The staff also advised USTA to include a new EXG-3 form to cover the specific amount associated with the GSF rule change.

<sup>19</sup> Including an adjustment for GSF in the Base Factor Portion per line calculation on the CAP-1 form is also consistent with the treatment given by the Commission for BFP per line adjustments COE Maintenance and Marketing expense. Access Reform Order at ¶¶ 223, 324.

**V. Bell Atlantic's Tariff Terms and Conditions Are Reasonable.**

The petitioners also raise a few questions about the terms and conditions on which local exchange carriers will assess the charges covered by the tariffs here.

MCI questions whether local exchange carriers should be permitted to assess trunk port costs on spare trunks not actually in use. MCI Petition at 19. In Bell Atlantic's case, this is not an issue. Bell Atlantic set its trunk port rates equal to the unit costs for the new rate elements. Bell Atlantic will only charge carriers for port costs on trunks actually used, and will *not* assess port costs on spare trunks.

AT&T questions how Bell Atlantic's TIC elements are applied, and in particular whether Bell Atlantic would charge a TIC for traffic between a host and remote office where a competing carrier provides transport to the host.<sup>20</sup> AT&T Pet. at 18-19. Bell Atlantic's tariffs specify that separate lower local TIC applies when the switched transport is provided via an expanded interconnection arrangement at an end office (i.e. collocated transport provided by a competing access provider). Bell Atlantic would also apply the separate lower local TIC for all of the carrier's traffic to a remote office served by a host office where a competing carrier provided transport to the host office. If the Commission finds it appropriate, Bell Atlantic will amend its tariff to clarify that the lower rate applies in this situation.

**Conclusion**

Based on the foregoing, the Commission should reject the petitions and allow Bell Atlantic's proposed tariff adjustments to go into effect. Should the Commission

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<sup>20</sup> A host/remote office configuration occurs when a single "host" office provides the switching intelligence for one or more "remote" offices.

nevertheless require an investigation, it should make clear that the current rates are temporary rates under Section 204(b), subject to true-up at the close of any investigation, with the possibility for adjustment both upward and downward to cure any inconsistent allocation of costs between the rates paid by different categories of customers.

Respectfully submitted,



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FLOW-THROUGH EFFECTS OF LOWER TIC RATEMAKING

<u>Line No.</u>	<u>Description</u>	<u>Source/Calculation</u>	<u>A TM 1016</u>	<u>B Exhibit A--Detail</u>
1	Maximum Rate per Premium Originating MOU	CAP-1, Line 2440, Col a	0.00929400	0.00929400
2	Common Line Rate per Premium Originating MOU	CAP-1, Line 2670, Col b	0.00326069	0.00326069
3	TIC Rate per Premium Originating MOU (all MOU) *	CAP-1, Line 2690, Col c	0.00531821	0.00476518
4	Suppl. Rate per LEC Transport Prem Originating MOU	CAP-1, Line 2710, Col c	0.00071510	0.00064075
5	Total - CL - TIC - Supplemental per MOU	Line 1 - Line 2 - Line 3 - Line 4	-0.00000000	0.00062738
6	Calculated Residual Marketing Originating per MOU	CAP-1, Line 2660, Col d	0.00047363	0.00047363
7	Marketing Rate per Premium Originating MOU	CAP-1, Line 2730 Col d (Minimum of Line 5 or Line 6)	0.00000000	0.00047363 **

\*NOTE: Column B Shows the result of the Revised Cap-1 form (Exhibit A--Detail) with the lower TIC rate

\*\* NOTE: As a result of the reduced TIC, line 5 Column B increased and the maximum marketing per minute of use rate in turn was based on the the calculated rate, line 6 col. B.

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1016

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan

CALCULATION OF RATE CAPS: DEMAND & RATES

Inputs & Initial Revenue Calculations

Demand Inputs:

	Source	Trans.# or LtrFiling Dt
100 Total Primary Res & SLB Lines	col b: Sum of Juris.; col c: RTE1, r110 or r176	
110 Total NonPrim Res & BRI ISDN Lines	col b: Sum of Juris.; col c: RTE1, r111 or r177	
120 Total MLB&PRI ISDN (include PRI * 5, & exclude Centrex)	col b: Sum of Juris.; col c: RTE1, r100 or r174	
130 Total Business Centrex Lines in groups with 9 or more lines	Input	
135 Total Business Centrex Lines in groups less than 9 lines	Input	
137 Total Business Groups with less than 9 lines in the group	Input	
140 Total Lifeline Lines	RTE1, r120 or r178	
150 Total Local Exchange Lines	r100+r110+r120+r130+r135+r140	
160 Total Special Access Surcharge Lines	RTE1, r130	

EUCL (b)	PICC (c)
144,586,182	145,783,722
16,317,516	16,616,148
50,157,444	52,375,692
28,603,104	20,989,896
0	9,003,312
N/A	2,726,664
515,982	515,982
240,180,228	245,284,752
250,452	N/A

170 Total Terminating Premium MOU	col.b&d: RTE1, r140; col.c: RTE1,r1003
180 Total Terminating Non-Premium MOU	col.b&d: RTE1, r150; col.c: RTE1,r1006
190 Equivalent Terminating DA Chargeable MOU	Input
200 Total Terminating Chargeable MOU	r170 + .45*r180+r190
210 Total Originating Premium MOU	col.b&d: RTE1, r160; col.c: RTE1,r1009
220 Total Originating Non-Premium MOU	col.b&d: RTE1, r170; col.c: RTE1,r1012
230 Total Originating Chargeable MOU	r210 + .45*r220
240 LEC Transport Terminating Premium MOU	RTE1, r1015
250 LEC Transport Terminating Non-Premium MOU	RTE1, r1018
260 LEC Transport Terminating Chargeable MOU	r240 + .45*r250
270 LEC Transport Originating Premium MOU	RTE1, r1021
280 LEC Transport Originating Non-Premium MOU	RTE1, r1024
290 LEC Transport Originating Chargeable MOU	r270 + .45*r280

Total Jurisdiction (a)	Basket		
	Common Line (b)	Trunking (TIC) (c)	Marketing (d)
43,857,503,778	43,947,091,604	43,857,503,778	
2,021,920	0	2,021,920	
N/A	0	N/A	
43,858,413,642	43,947,091,604	43,858,413,642	
22,987,811,994	23,034,546,579	22,987,811,994	
837,556	0	837,556	
22,988,188,894	23,034,546,579	22,988,188,894	
N/A	40,037,199,086	N/A	
N/A	0	N/A	
N/A	40,037,199,086	N/A	
N/A	20,985,205,017	N/A	
N/A	0	N/A	
N/A	20,985,205,017	N/A	

Rate Inputs:

310 Max Primary Res & SLB EUCL Rate at Last PCI Update	Weighted Average	Trans. 977
320 Max NonPrim Res & BRI ISDN EUCL Rate at Last PCI Update	Weighted Average	Trans. 977
330 Max MLB, PRI ISDN, & Bus.Centrex EUCL Rate at Last PCI	Weighted Average	Trans. 977
340 Max Lifeline EUCL Rate at Last PCI Update	Weighted Average	Trans. 977
350 Special Access Surcharge Rate at Last PCI	RTE1, r130, col.b	Trans. 977
360 Terminating CCL Premium Capped Rates at last PCI Update	Input	Trans. 979
370 Originating CCL Premium Capped Rates at last PCI Update	Input	Trans. 979
380 Special Access Surcharge Proposed Rate	RTE1, r130, col.d	

3.478327	N/A	N/A
3.635185	N/A	N/A
5.190486	N/A	N/A
3.270816	N/A	N/A
25.00	N/A	N/A
0.00429200	N/A	N/A
0.00429200	N/A	N/A
25.00	N/A	N/A

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1016

Filing Name: Access Reform Filing

Page 2 of 8

Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: REVENUES  
 Inputs & Initial Revenue Calculations

Source	Trans.# or LtrrFiling Dt	Total Jurisdiction (a)	Common Line (b)	Basket	
				Trunking (TIC) (c)	Marketing (d)
<b>Revenues:</b>					
510 Total Max Primary Res & SLB Rev. at Last PCI	Sum of Jurisdictions	502,917,975	502,917,975	N/A	N/A
520 Total Max NonPrim Res & BRI ISDN Rev. at Last PCI Update	Sum of Jurisdictions	59,317,186	59,317,186	N/A	N/A
530 Total Max MLB & PRI ISDN Rev. at Last PCI Update	Sum of Jurisdictions	408,805,550	408,805,550	N/A	N/A
540 Total Max Lifeline Rev. at Last PCI Update	Sum of Jurisdictions	1,687,682	1,687,682	N/A	N/A
550 Total Special Access Surcharge Rev. at Last PCI Update	r160b*r350	6,261,300	6,261,300	N/A	N/A
560 Total Max EUCL Rev at Last PCI Update	Sum of r510 thru 550	978,989,693	978,989,693	N/A	N/A
570 Terminating CCL Capped Revenue at Last PCI Update	r200b*r360	188,240,311	188,240,311	N/A	N/A
580 Originating CCL Capped Revenue at Last PCI Update	r230b*r370	98,665,307	98,665,307	N/A	N/A
590 Total CCL Capped Revenue at Last PCI Update	r570+r580	286,905,618	286,905,618	N/A	N/A
600 Other Common Line Revenue at Last PCI Update	RTE1, r135 + 171 + 179 + 180, col. e	0	0	N/A	N/A
610 Max Revenue at Last PCI Update	r560+r590+r600	1,265,895,311	1,265,895,311	N/A	N/A
620 Other Common Line Revenue (Proposed)	RTE1, r171 + 179 + 180, col. g	0	0	N/A	N/A
640 PCI at Last PCI Update	PCI1, r350		72.8988	N/A	N/A
650 Proposed PCI (w/out g in formula)	PCI1, r500		79.0869	N/A	N/A
660 1 + % Change in PCI (w/out g in formula)	r650/r640		1.084886	N/A	N/A
670 Maximum Revenue to Be Recovered (w/out g in formula)	col.b: r610*r660; col.d: Sum of Jurisdictions col.c: (RTE1,r1080,c.f)*(RTE1,r1090,c.h)/(IND1,r200,c.g)	1,581,614,906	1,373,351,963	140,909,943	67,353,000
680 Proposed PCI (w/g in formula)	PCI1, r510		79.0869	N/A	N/A
690 Proposed Residual TIC Dollars to Be Reassigned to Facilities-based Elements	Input		N/A	15,377,846	N/A

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1016

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: EUCL  
 End User Charges

	Source	Trans.# or LtrFiling Dt	Total Jurisdiction (a)	Basket		
				Common Line (b)	Trunking (TIC) (c)	Marketing (d)
<b>Calculation of Maximum Common Line End User Charge</b>						
800 Base Factor Portion End User Revenue Requirement per Line	Weighted Average	Trans. 977	5.32	5.320337	N/A	N/A
810 Total Annual Line Port Revenue	Sum of Jurisdictions		164,773,272	164,773,272	N/A	N/A
820 Line Port Revenue in Excess of Basic Line Ports	Sum of Jurisdictions		7,086,455	7,086,455	N/A	N/A
830 Basic Line Port Revenue	r810-r820		157,686,817	157,686,817	N/A	N/A
840 Total Line Ports (equals Total EUCL Lines)	r150b		240,180,228	240,180,228	N/A	N/A
850 Basic Port Revenue per Line	r830/r840		0.66	0.66	N/A	N/A
860 COE Maintenance & GSF dollars transferred	Sum of Jurisdictions		(33,008,000)	(33,008,000)	N/A	N/A
870 COE Maintenance & GSF per Line	r860/r840		-0.14	-0.14	N/A	N/A
880 Marketing dollars transferred	Sum of Jurisdictions		(41,468,000)	(41,468,000)	N/A	N/A
890 Marketing per Line	r880/r840		-0.17	-0.17	N/A	N/A
900 BFP-Based Common Line Revenue Target Per Line	r800 + r850 + r870 + r890		5.67	5.67	N/A	N/A
<b>Calculation of Maximum Primary Residential, Lifeline, &amp; Single</b>						
920 Primary Res & SLB Per Line EUCL Limit	FCC Rules		3.50	N/A	N/A	N/A
930 Maximum Primary Res, Lifeline, & SLB EUCL Rate	Min. of r900 & r920		3.50	3.50	N/A	N/A
<b>Calculation of Maximum Marketing Expense End User Charge:</b>						
940 Annual Marketing Expenses	r670		67,353,000	N/A	N/A	67,353,000
950 Total NonPrimRes + (BRI + PRI) ISDN + MLB + Centrex Lines	r110b + r120b + r130b + r135b		95,078,064	N/A	N/A	95,078,064
960 Marketing Expense Target Per Line	r940/r950		0.71	N/A	N/A	0.7084
<b>Calculation of NonPrimary Residential, MultiLine Business, &amp; I</b>						
970 NonPrimary Res & BRI ISDN Per Line EUCL Limit	FCC Rules		5.00	N/A	N/A	N/A
980 MLB, PRI ISDN, & Centrex Per Line EUCL Limit	FCC Rules		9.00	N/A	N/A	N/A
990 Total End User Target Per Line	r900 + r960		6.38	5.6681	N/A	0.7084
1000 Maximum NonPrim Res & BRI ISDN End User Charge	col.a: Min. of r990a & r970a col.b: Min. of r990b & r970a col.d: Min. of r990d & (r1000a-r1000b)		5.00	5.0000	N/A	0.0000
1010 Maximum MLB, PRI ISDN (per unit), & Centrex End User Charge	col.a: Min. of r990a & r980a col.b: Min. of r990b & r980a col.d: Min. of r990d & (r1010a-r1010b)		6.38	5.6681	N/A	0.7084
<b>Total Maximum End User Revenue</b>						
1030 Primary Res & SLB End User Revenue	Sum of Jurisdictions		505,244,952	505,244,952	N/A	N/A
1040 NonPrim Res & BRI ISDN End User Revenue	Sum of Jurisdictions		80,421,590	80,044,616	N/A	376,974
1050 MLB, PRI ISDN, & Centrex End User Revenue	Sum of Jurisdictions		493,661,889	437,573,775	N/A	56,088,113
1060 LifeLine	Sum of Jurisdictions		1,775,495	1,775,495	N/A	N/A
1070 Special Access Surcharge	r380 * r160b		6,261,300	6,261,300	N/A	N/A
1080 Other Proposed End User Common Line Revenue	Sum of Jurisdictions		7,086,455	7,086,455	N/A	N/A
1090 Total Maximum End User Revenue	Sum of r1030 thru 1080		1,094,451,681	1,037,986,593	N/A	56,465,088

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1016

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: PICC  
 Presubscribed Interexchange Carrier Charge (PICC)

Source	Trans. # or Ltr Filing Dt	Total Jurisdiction (a)	Basket		
			Common Line (b)	Trunking (TIC) (c)	Marketing (d)
<b>Calculation of PICC for Primary Residential, Lifeline, and Single Line Business Lines</b>					
1100 Primary Res, Lifeline, & SLB Per Line PICC Limit	FCC Rules	0.53	N/A	N/A	N/A
1110 Maximum PICC Target Revs (Primary Res, Lifeline, & SLB)	col.a: sum of col.b+c+d col.b: r670b-r1070b-r1080b-r930*r150b col.c&d: r670-r1090	671,171,265	519,373,410	140,909,943	10,887,912
1120 Maximum PICC Target (Primary Res, Lifeline, & SLB)	col.a:(r1110b+r1110c)/r150c col.b&c: r1110/r150c	2.691905	2.117430	0.574475	N/A
1130 Maximum PICC Rate (Primary Res, Lifeline, & SLB)	col.a: Min. of r1120a & r1100a col.b: Min. of r1120b & r1100a col.c: Min. of r1120c & (r1100a-r1130b)	0.530000	0.530000	0.000000	N/A
1140 Maximum Allowable PICC Revs (Primary Res, Lifeline, & SLB)	r1130 * (r100c + r140c)	77,538,843	77,538,843	0	N/A
<b>Calculation of PICC for NonPrimary Residential &amp; BRI ISDN Lines</b>					
1150 NonPrimary Res & BRI ISDN Per Line PICC Limit	FCC Rules	1.50	N/A	N/A	N/A
1160 Maximum PICC Target Revs (NonPrimary Res & BRI ISDN)	col.a: Sum of col.b+c+d col.b: Max. of (r670 - r1090 - r1140) & 0 col.c&d: r1110 - r1140	409,624,382	257,826,527	140,909,943	10,887,912
1170 Maximum PICC Target (NonPrimary Res & BRI ISDN)	r1160 / (r110c + r120c + r130c/9 + r137c)	5.531674	3.481756	1.902884	0.147033
1180 Maximum PICC Rate (NonPrimary Res & BRI ISDN)	col.a: Min. of r1170a & r1150a col.b: Min. of r1170b & r1150a col.c: Min. of r1170c & (r1150a-r1180b) col.d: Min. of r1170d & (r1150a-r1180b-r1180c)	1.500000	1.500000	0.000000	0.000000
1190 Maximum Allowable PICC Revs (NonPrimary Res & BRI ISDN)	r1180 * r110c	24,924,222	24,924,222	0	0
<b>Calculation of PICC for MultiLine Business, PRI ISDN, &amp; Business Centrex Lines</b>					
1200 MultiLine Bus & PRI ISDN Per Line PICC Limit	FCC Rules	2.75	N/A	N/A	N/A
1210 Maximum PICC Target Revs (MLB, PRI ISDN, & Centrex)	r1160-r1190	384,700,160	232,902,305	140,909,943	10,887,912
1220 Maximum PICC Target (MLB & PRI ISDN)	col.a:sum b+c+d; col.c&d:r1210/r(120c+130c/9+13 b:1210b-Min(Max(900-980,0),1200)*(130c+135c))/(120c+130c/9+137c))	6.698060	4.055089	2.453400	0.189571
1230 Maximum PICC Rate (MLB & PRI ISDN Res)	col.a: Min. of r1220a & r1200a col.b: Min. of r1220b & r1200a col.c: Min. of r1220c & (r1200a-r1230b) col.d: Min. of r1220d & (r1200a-r1230b-r1230c)	2.750000	2.750000	0.000000	0.000000
1240 Maximum Centrex PICC Revenues	col.a: sum b+c+d; col.c&d: r1230*r(130c/9+137c) b:r1230*r(130c/9+137c)+ AllowableExcessBFP Recovery	13,911,905	13,911,905	0	0
1250 Max.Allowable PICC Revenues (MLB, PRI ISDN, & Centrex)	r1230*r120c+r1240	157,945,058	157,945,058	0	0
<b>Total Maximum PICC Revenue</b>					
1300 Primary Residential & Single Line Business PICC Revenue	r1130*r100c	77,265,373	77,265,373	0	N/A
1310 NonPrimary Residential & BRI IDSN PICC Revenue	r1180*r110c	24,924,222	24,924,222	0	0
1320 Multi Line Business & PRI ISDN PICC Revenue	r1230*r120c	144,033,153	144,033,153	0	0
1330 Business Centrex PICC Revenue	r1240	13,911,905	13,911,905	0	0
1340 LifeLine	r1130*r140c	273,470	273,470	0	N/A
1390 Total Maximum PICC Revenue	Sum of r1300 thru 1340	260,408,123	260,408,123	0	0

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1018

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: RESIDUAL MOU  
 Per-Minute Residual Charges

Calculation of Per-Minute Originating Charges	Source	Trans.# or LtrrFiling Dt	Total Jurisdiction (a)	Basket		
				Common Line (b)	Trunking (TIC) (c)	Marketing (d)
1400 Premium Local Switching Rate (Dec. 31, 1997)	Input	Trans. 977	0.00639900	N/A	N/A	N/A
1410 Premium Originating Carrier Common Line Rate (Dec. 31, 1997)	Input		0.00429200	N/A	N/A	N/A
1420 Premium Interconnection Rate (Dec. 31, 1997)	Input		0.00342600	N/A	N/A	N/A
1430 Proposed Premium Local Switching Rate	RTE1,r210d		0.00482300	N/A	N/A	N/A
1440 Maximum Rate per Premium Originating MOU	r1400+r1410+r1420-r1430		0.00929400	N/A	N/A	N/A
1450 CL Rev at capped (t-1) rates	r610		N/A	1,265,895,311	N/A	N/A
1460 Total Chargeable CCL Minutes of Use	r200b+r230b		N/A	66,846,602,536	N/A	N/A
1470 Common Line Revenue per MOU (t-1)	r1450/r1460		N/A	0.018937	N/A	N/A
1480 1 + % Change in PCI	r680		N/A	1.0849	N/A	N/A
1490 Common Line Revenue per MOU (t)	r1470*r1480		N/A	0.02054483	N/A	N/A
1500 Total Maximum End User Revenue (t)	r1090		N/A	1,037,986,593	N/A	N/A
1510 Total Maximum PICC Revenue (t)	r1390		N/A	260,408,123	N/A	N/A
1520 Total Other CL Revenue (t)	r820		N/A	0	N/A	N/A
1530 Total Maximum End User, PICC, and Other CL Revenue	r1500+r1510+r1520		N/A	1,298,394,717	N/A	N/A
1550 EUCL, PICC, & Other CL Rev/MOU (t)	r1530/r1460		N/A	0.01942350	N/A	N/A
1560 Maximum CCL Rev/MOU (t)	Max. of 0 & (r1490-r1550)		N/A	0.00112133	N/A	N/A
1570 Maximum CCL Rev (t)	r1560*r1460		N/A	74,957,246	N/A	N/A
1600 Residual TIC and Marketing Revenue (total) (Adj for rate decrease)	r670-r1090-r1390		N/A	N/A	123,209,943	10,887,912
1610 Residual TIC Revenue (to be recovered across all MOU)	(r670-r690)/r670*r1600		N/A	N/A	109,763,741	N/A
1620 Suppl. Residual TIC Revenue (LEC Transport MOU only)	r690/r670*r1600		N/A	N/A	13,446,202	N/A
1630 Residual Revenue per Orig MOU: Common Line	r1570/r230b		N/A	0.00326069	N/A	N/A
1640 Residual Revenue per Orig MOU: TIC (all Minutes)	r1610/r230c		N/A	N/A	0.00476518	N/A
1650 Suppl. Residual Revenue per Orig LEC Transport MOU	r1620/r290c		N/A	N/A	0.00064075	N/A
1660 Residual Revenue per Orig MOU: Marketing	r1600/r230d		N/A	N/A	N/A	0.00047363
1670 Common Line Rate per Premium Originating MOU	Min. of r1630b & r1440a		N/A	0.00326069	N/A	N/A
1680 Common Line Rate per NonPremium Originating MOU	r1670*0.45		N/A	0.00146731	N/A	N/A
1690 TIC Rate per Premium Originating MOU (all MOU)	Min.of r1640c&r(1440a-1670b)*r(1640/(1640+1650))		N/A	N/A	0.00476518	N/A
1700 TIC Rate per NonPremium Originating MOU (all MOU)	r1690*0.45		N/A	N/A	0.00214433	N/A
1710 Suppl. Rate per LEC Transport Premium Originating MOU	Min.of r1650c&r(1440a-1670b)*r(1650/(1640+1650))		N/A	N/A	0.00064075	N/A
1720 Suppl. Rate per LEC Transport NonPrem Originating MOU	r1710*0.45		N/A	N/A	0.00028834	N/A
1730 Marketing Rate per Premium Originating MOU	Min. of r1660d & (r1440a-r1670b-r1690c-r1710c)		N/A	N/A	N/A	0.00047363
1740 Marketing Rate per NonPremium Originating MOU	r1730*0.45		N/A	N/A	N/A	0.00021313
1750 Total Maximum Originating Per Minute Revenue	col.b: r230b*r1670b col.c: r230c*r1690c+r290c*r1710c col.d: r230d*r1730d		N/A	74,957,358	123,210,031	10,887,896
Calculation of Per-Minute Terminating Charges						
1800 Residual Revenue after Orig MOU Rates: CL & Mktg	col.b:r1670-r1750; col.d:r1600-r1750		N/A	0	N/A	17
1810 Residual Revenue after Orig MOU Rates: TIC (All MOU)	r1610c - (r230c*r1690c)		N/A	N/A	0	N/A
1820 Suppl. Residual Rev after Orig MOU Rates: TIC (LEC Transport)	r1620c - (r290c*r1710c)		N/A	N/A	0	N/A
1830 Rate per Premium Terminating MOU: CL & Mktg	r1800/r200		N/A	0.00000000	N/A	0.00000000
1840 Rate per NonPremium Terminating MOU: CL & Mktg	r1830*.45		N/A	0.00000000	N/A	0.00000000
1850 TIC Rate per Premium Terminating MOU (all MOU)	r1810/r200c		N/A	N/A	0.00000000	N/A
1860 TIC Rate per NonPremium Terminating MOU (all MOU)	r1850*.45		N/A	N/A	0.00000000	N/A
1870 Suppl. Rate per LEC Transport Prem Terminating MOU	r1820/r260c		N/A	N/A	0.00000000	N/A
1880 Suppl. Rate per LEC Transport NonPrem Terminating MOU	r1870*.45		N/A	N/A	0.00000000	N/A

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1016

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: EUCL  
 End User Charges

	Source	Trans.# or LtrrFiling Dt	Total Jurisdiction (a)	Basket		
				Common Line (b)	Trunking (TIC) (c)	Marketing (d)
1900 Proposed PCI (to be used in CL basket calcs)	if r1670=0, PCI1,r500, else, PCI1,r510		N/A	79,0869	N/A	N/A
1910 1 + % Change in PCI (based on I.1900)	r1900/r640		N/A	1,0849	N/A	N/A
1920 Maximum Revenue to Be Recovered	col.b: r1910*r610 col.c&d: r670		N/A	1,373,351,963	140,909,943	67,353,000
1930 Maximum Proposed Revenue per EUCL	r1920/r150b		N/A	5.72	N/A	N/A
Calculation of Maximum Common Line End User Charge						
1940 Common Line Revenue Target Per Line	col.a = col. b col.b: if r1670>0, r900; else, if r1930>=r920+r1100, r900; else, r1930		5.67	5.67	N/A	N/A
Calculation of Maximum Primary Residential, Lifeline, & Single Line Business End User Charge:						
1950 Primary Res & SLB Per Line EUCL Limit	r920		3.50	N/A	N/A	N/A
1960 Maximum Primary Res, Lifeline, & SLB EUCL Rate	Min. of r1940 & r1950		3.50	3.50	N/A	N/A
Calculation of Maximum Marketing Expense End User Charge:						
1970 Marketing Expense Target Per Line	r960		0.71	N/A	N/A	0.71
Calculation of NonPrimary Residential, MultiLine Business, & ISDN End User Charge:						
1980 NonPrimary Res & BRI ISDN Per Line EUCL Limit	r970		5.00	N/A	N/A	N/A
1990 MLB, PRI ISDN, & Centrax Per Line EUCL Limit	r980		9.00	N/A	N/A	N/A
2000 Total End User Target Per Line	r1940+r1970		6.38	5.67	N/A	0.71
2010 Maximum NonPrim Res & BRI ISDN End User Charge	col.a: Min. of r2000a & r1980a col.b: Min. of r2000b & r1980a col.d: Min. of r2000c & (r2010a-r2010b)		5.00	5.00	N/A	0.00
2020 Maximum MLB, PRI ISDN (per unit), & Centrex End User Charge	col.a: Min. of r2000a & r1990a col.b: Min. of r2000b & r1990a col.d: Min. of r2000c & (r2020a-r2020b)		6.38	5.67	N/A	0.71
Total Maximum End User Revenue						
2030 Primary Res & SLB End User Revenue	r1030		505,244,952	505,244,952	N/A	N/A
2040 NonPrim Res & BRI ISDN End User Revenue	r1040		80,421,590	80,044,616	N/A	376,974
2050 MLB, PRI ISDN, & Centrex End User Revenue	r1050		493,661,889	437,573,775	N/A	56,088,113
2060 LifeLine	r1060		1,775,495	1,775,495	N/A	N/A
2070 Special Access Surcharge	r1070		6,261,300	6,261,300	N/A	N/A
2080 Other Proposed Common Line Revenue	r1080		7,086,455	7,086,455	N/A	N/A
2090 Total Maximum End User Revenue	Sum of r2030 thru 2080		1,094,451,661	1,037,986,593	N/A	56,465,088

## CAP-1 (Ratemaking Flow-Through Effects)

## EXHIBIT A--Detail

Filing Entity: BATR  
 Transmittal Number: 1016  
 Filing Name: Access Reform Filing  
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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: PICC  
 Presubscribed Interexchange Carrier Charge (PICC)

Source	Trans.# or LtrFiling Dt	Total Jurisdiction (a)	Basket		
			Common Line (b)	Trunking (TIC) (c)	Marketing (d)
<b>Calculation of PICC for Primary Residential, Lifeline, and Single Line Business Lines</b>					
2100 Primary Res, Lifeline, & SLB Per Line PICC Limit	r1100	0.53	N/A	N/A	N/A
2110 Maximum PICC Target Revs (Primary Res, Lifeline, & SLB)	col.a: sum of col.b + c + d col.b: r670b-r2070b-r2080b-r1960*r150b col.c&d: r670-r2090	671,171,265	519,373,410	140,909,943	10,887,912
2120 Maximum PICC Target (Primary Res, Lifeline, & SLB)	col.a:(r2110b+r2110c)/r150c col.b&c: r2110/r150c	2.691905	2.117430	0.574475	N/A
2130 Maximum PICC Rate (Primary Res, Lifeline, & SLB)	col.a: Min. of r2120a & r2100a col.b: Min. of r2120b & r2100a col.c: Min. of r2120c & (r2100a-r2130b)	0.530000	0.530000	0.000000	N/A
2140 Maximum Allowable PICC Revs (Primary Res, Lifeline, & SLB)	r2130 * (r100c + r140c)	77,538,843	77,538,843	0	N/A
<b>Calculation of PICC for NonPrimary Residential &amp; BRI ISDN Lines</b>					
2150 NonPrimary Res & BRI ISDN Per Line PICC Limit	r1150	1.50	N/A	N/A	N/A
2160 Maximum PICC Target Revs (NonPrimary Res & BRI ISDN)	col.a: Sum of col.b + c + d col.b: Max. of (r670 - r2090 - r2140) & 0 col.c&d: r2110 - r2140	409,624,382	257,826,527	140,909,943	10,887,912
2170 Maximum PICC Target (NonPrimary Res & BRI ISDN)	r2160 / (r110c + r120c + r130c/9 + r137c)	5.531674	3.481756	1.902884	0.147033
2180 Maximum PICC Rate (NonPrimary Res & BRI ISDN)	col.a: Min. of r2170a & r2150a col.b: Min. of r2170b & r2150a col.c: Min. of r2170c & (r2150a-r2180b) col.d: Min. of r2170d & (r2150a-r2180b-r2180c)	1.500000	1.500000	0.000000	0.000000
2190 Maximum Allowable PICC Revs (NonPrimary Res & BRI ISDN)	r2180 * r110c	24,924,222	24,924,222	0	0
<b>Calculation of PICC for MultiLine Business, PRI ISDN, &amp; Business Centrex Lines</b>					
2200 MultiLine Bus & PRI ISDN Per Line PICC Limit	r1200	2.75	N/A	N/A	N/A
2210 Maximum PICC Target Revs (MLB, PRI ISDN, & Centrex)	r2180-r2190	384,700,160	232,902,305	140,909,943	10,887,912
2220 Maximum PICC Target (MLB & PRI ISDN)	col.a:sum b + c + d; col.c&d:r2210/(120c + 130c/9 + 13 b:2210b-Min(Max(1940-1990,0),2200)*(130c + 135c))/(120c + 130c/9 + 137c))	6.698060	4.055089	2.453400	0.189571
2230 Maximum PICC Rate (MLB & PRI ISDN Res)	col.a: Min. of r2220a & r2200a col.b: Min. of r2220b & r2200a col.c: Min. of r2220c & (r2200a-r2230b) col.d: Min. of r2220d & (r2200a-r2230b-r2230c)	2.750000	2.750000	0.000000	0.000000
2240 Maximum Centrex PICC Revenues	col.a: sum b + c + d; col.c&d: r2230*r(130c/9 + 137c) b:r2230*r(130c/9 + 137c) + AllowableExcessBFP Recovery	13,911,905	13,911,905	0	0
2250 Max.Allowable PICC Revenues (MLB, PRI ISDN, & Centrex)	r2230*r120c+r2240	157,945,058	157,945,058	0	0
<b>Total Maximum PICC Revenue</b>					
2300 Primary Residential & Single Line Business PICC Revenue	r2130*r100c	77,265,373	77,265,373	0	N/A
2310 NonPrimary Residential & BRI ISDN PICC Revenue	r2180*r110c	24,924,222	24,924,222	0	0
2320 Multi Line Business & PRI ISDN PICC Revenue	r2230*r120c	144,033,153	144,033,153	0	0
2330 Business Centrex PICC Revenue	r2240	13,911,905	13,911,905	0	0
2340 LifeLine	r2130*r140c	273,470	273,470	0	N/A
2390 Total Maximum PICC Revenue	Sum of r2300 thru r2340	260,408,123	260,408,123	0	0

CAP-1 (Ratemaking Flow-Through Effects)

EXHIBIT A--Detail

Filing Entity: BATR

Transmittal Number: 1018

Filing Name: Access Reform Filing

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Price Cap Tariff Review Plan  
 CALCULATION OF RATE CAPS: RESIDUAL MOU  
 Per-Minute Residual Charges

Calculation of Per-Minute Originating Charges	Source	Trans.# or LtrrFiling Dt	Total Jurisdiction (a)	Common Line (b)	Basket		
					Trunking (TIC) (c)	Marketing (d)	
2400 Premium Local Switching Rate (Dec. 31, 1997)	r1400		0.00639900	N/A	N/A	N/A	
2410 Premium Originating Carrier Common Line Rate (Dec. 31, 1997)	r1410		0.00429200	N/A	N/A	N/A	
2420 Premium Interconnection Rate (Dec. 31, 1997)	r1420		0.00342600	N/A	N/A	N/A	
2430 Proposed Premium Local Switching Rate	RTE1,r210d		0.00482300	N/A	N/A	N/A	
2440 Maximum Rate per Premium Originating MOU	r2400+r2410+r2420-r2430		0.00929400	N/A	N/A	N/A	
2450 CL Rev at capped (t-1) rates (excl. Line Ports above Basic)	r610		N/A	1,265,895,311	N/A	N/A	
2460 Total Chargeable CCL Minutes of Use	r200b+r230b		N/A	66,846,602,536	N/A	N/A	
2470 Common Line Revenue per MOU (t-1)	r2450/r2460		N/A	0.018937	N/A	N/A	
2480 1 + % Change in PCI	r1910		N/A	1.0849	N/A	N/A	
2490 Common Line Revenue per MOU (t)	r2470*r2480		N/A	0.020545	N/A	N/A	
2500 Total Maximum End User Revenue (t)	r2090		N/A	1,037,986,593	N/A	N/A	
2510 Total Maximum PICC Revenue (t)	r2390		N/A	260,408,123	N/A	N/A	
2520 Total Other CL Revenue (t)	r620		N/A	0	N/A	N/A	
2530 Total Maximum End User, PICC, and Other CL Revenue	r2500+r2510+r2520		N/A	1,298,394,717	N/A	N/A	
2540 1 + g/2 (if using PCI formula with g)	if r1670=0, 1; else, 1+(PCI1,r330)/200		N/A	1.0000	N/A	N/A	
2550 EUCL, PICC, & Other CL Rev/MOU (t)	r2530/(r2460*r2540)		N/A	0.01942350	N/A	N/A	
2560 Maximum CCL Rev/MOU (t)	Max. of 0 & (r2490-r2550)		N/A	0.00112133	N/A	N/A	
2570 Maximum CCL Rev (t)	r2560*r2460		N/A	74,957,246	N/A	N/A	
2600 Residual TIC and Marketing Revenue (total) (adj for rate decrease)	r1920-r2090-r2390		N/A	N/A	123,209,943	10,887,912	
2610 Residual TIC Revenue (to be recovered across all MOU)	(r1920-r690)/r1920*r2600		N/A	N/A	109,763,741	N/A	
2620 Suppl. Residual TIC Revenue (LEC Transport MOU only)	r690/r1920*r2600		N/A	N/A	13,446,202	N/A	
2630 Residual Revenue per Orig MOU: Common Line	r2570/r230		N/A	0.00326069	N/A	N/A	
2640 Residual Revenue per Orig MOU: TIC (all Minutes)	r2610/r230		N/A	N/A	0.00476518	N/A	
2650 Suppl. Residual Revenue per Orig LEC Transport MOU	r2620/r290		N/A	N/A	0.00064075	N/A	
2660 Residual Revenue per Orig MOU: Marketing	r2600/r230		N/A	N/A	N/A	0.00047363	
2670 Common Line Rate per Premium Originating MOU	Min. of r2630b & r2440a		N/A	0.00326069	N/A	N/A	
2680 Common Line Rate per NonPremium Originating MOU	r2670*0.45		N/A	0.00146731	N/A	N/A	
2690 TIC Rate per Premium Originating MOU (all MOU)	Min. of r2640c & (r2440a-2670b)*r(2640)/(2640+265		N/A	N/A	0.00476518	N/A	
2700 TIC Rate per NonPremium Originating MOU (all MOU)	r2690*0.45		N/A	N/A	0.00214433	N/A	
2710 Suppl. Rate per LEC Transport Prem Originating MOU	Min. of r2650c & (r2440a-2670b)*r(2650)/(2640+265		N/A	N/A	0.00064075	N/A	
2720 Suppl. Rate per LEC Transport NonPrem Originating MOU	r2710*0.45		N/A	N/A	0.00028834	N/A	
2730 Marketing Rate per Premium Originating MOU	Min. of r2660d & (r2440a-r2670b-r2690c-r2710c)		N/A	N/A	N/A	0.00047363	
2740 Marketing Rate per NonPremium Originating MOU	r2730*0.45		N/A	N/A	N/A	0.00021313	
2750 Total Maximum Originating Per Minute Revenue	col.b: r230b*r2670b col.c: r230c*r2690c+r290c*r2710c col.d: r230d*r2730d		N/A	74,957,358	123,210,031	10,887,896	
<b>Calculation of Per-Minute Terminating Charges</b>							
2800 Residual Revenue after Orig MOU Rates: CL & Mktg	col.b:r2570-r2750; col.d:r2600-r2750		N/A	0	N/A	17	
2810 Residual Revenue after Orig MOU Rates: TIC (All MOU)	r2610c - (r230c*r2690c)		N/A	N/A	0	N/A	
2820 Suppl. Residual Rev after Orig MOU Rates: TIC (LEC Transpor	r2620c - (r290c*r2710c)		N/A	N/A	0	N/A	
2830 Rate per Premium Terminating MOU: CL & Mktg	r2800/r200		N/A	0.00000000	N/A	0.00000000	
2840 Rate per NonPremium Terminating MOU: CL & Mktg	r2830*.45		N/A	0.00000000	N/A	0.00000000	
2850 TIC Rate per Premium Terminating MOU (all MOU)	r2810/r200		N/A	N/A	0.00000000	N/A	
2860 TIC Rate per NonPremium Terminating MOU (all MOU)	r2850*.45		N/A	N/A	0.00000000	N/A	
2870 Suppl. Rate per LEC Transport Prem Terminating MOU	r2820/r260		N/A	N/A	0.00000000	N/A	
2880 Suppl. Rate per LEC Transport NonPrem Terminating MOU	r2870*.45		N/A	N/A	0.00000000	N/A	