adjustments.[135] Sprint LTCs, however, agree with MCI that SS7 costs should be adjusted to reflect past X-
factor reductions before they are removed from the tandem revenue requirement.[136]

60. With respect to MCI's concern that STP port costs were not removed from the STP revenue requirement, SWBT argues that the Commission did not specify this requirement. Therefore MCI is incorrect that the $2.9 million transfer of STP port costs to the new STP port termination service category should be deducted from the SS7 costs and removed from the TIC.[137] Aliant states that it excluded the costs of STP ports in developing the STP revenue requirement and the exogenous adjustment.[138]

3. Discussion

61. Based on our review of the price cap LECs' tariff filings, we find in general that, except for Bell Atlantic, U S West, SWBT, PacBell, and Nevada, the cost support provided by the price cap LECs for the removal of SS7 costs does not raise substantial questions of lawfulness that warrant investigation. We are, however, concerned that while Bell Atlantic is attributing 28 percent of its tandem switching revenue requirement to SS7, most price cap LECs are attributing less than 10 percent of their tandem switching revenue requirement to SS7 costs. As MCI pointed out, the *Local Transport Order* determined that SS7 related costs represent no more than approximately 10 percent of the total tandem revenue requirement.[139] In addition, we are unable to determine whether U S West used the correct SS7 cost figure in computing its residual tandem switching revenue requirement. Thus, we require Bell Atlantic and U S West to provide cost studies justifying the amount that was removed from the TIC as SS7 costs. In particular, Bell Atlantic and U S West must provide detailed information substantiating the amount of SS7 costs that were originally allocated to the TIC. We also require detailed information regarding any additional SS7 costs that were incorporated into the TIC during the period January 1, 1994 to December 31, 1997. Furthermore, Bell Atlantic and U S West should provide detailed information regarding any true-up to SS7 costs due to exogenous cost adjustments in the trunking basket.

62. We are also concerned that SWBT, PacBell, and Nevada have included STP port costs in their SS7 revenue requirement even though, as MCI notes, these costs have never been part of the TIC. We tentatively conclude that these price cap LECs should be required to deduct STP port costs from the SS7 revenue requirement if STP port costs have been included in the dedicated signalling rate element, and ask comment as to this conclusion.

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[135] *Id.*

[136] Sprint LECs December 17 Reply at 2; Exh. 3-13.

[137] *Id.* at 5.

[138] Aliant December 17 Reply at 4.

[139] *See Local Transport Order,* 7 FCC Rcd at 7019.

B. Whether Price Cap LECs made the proper COE Maintenance and Marketing Cost Adjustments to the TIC.

1. Background

63. In the *Access Charge Reform Order*, the Commission required the LECs to identify the amount of Central Office Equipment (COE) maintenance that has been misallocated to the trunking and common line baskets, and to move these amounts to local switching.[140] In addition, the LECs were required to remove their Account 6610 marketing expenses from all access rate elements that are not purchased by and marketed to retail customers.[141]

2. Pleadings

64. AT&T contends that both these adjustments require a downward adjustment to the TIC, and that the LECs must allocate these exogenous cost amounts to the TIC as it existed prior to July 1, 1997 in order to ensure that an excessive amount of the COE maintenance reallocation and the marketing expense reallocation are not credited to the facilities-based TIC.[142] AT&T contends that no LECs have used the June 30, 1997 TIC in their adjustment process. For example, it argues that PacBell and Nevada have not used their June 30, 1997 TIC in the adjustment process and consequently have made a $5 million error.[143] In addition, AT&T asserts that, except for SWBT and BellSouth, LECs have failed to apply both the COE maintenance and marketing exogenous cost adjustment to the TIC.[144] Thus, AT&T urges the Commission to require all LECs to apply the impact of their COE maintenance and marketing exogenous adjustments on the residual and facilities-based TIC as of June 30, 1997.[145]

65. In reply, Frontier and Bell Atlantic disagree with AT&T that LECs were required to allocate exogenous changes for both COE maintenance expense and marketing expense to the TIC based upon the TIC as it existed on June 30, 1997.[146] Frontier states that while the *Access Charge Reform Order* directs price cap LECs to remove marketing expenses from the switched access portion of the trunking basket, it does not mention using the TIC as it existed on June 30, 1997. Thus, Frontier states that it allocated its marketing expense exogenous change by switched revenues as of the

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[140] *Access Reform Order*, at 16078.

[141] *Id.* at 16122.

[142] AT&T December 11 Petition at 32.

[143] AT&T December 23 PacBell and Nevada Comments at 15.

[144] *Id.*

[145] *Id.*

[146] Frontier December 17 Reply at 5; Bell Atlantic December 18 Reply at 8.

last PCI update.[147] Moreover, it argues that the *Access Charge Reform Order* does not require that COE maintenance expense be targeted to service bands, because the Part 69 allocation rules do not correspond to the price cap bands and there is no methodology for allocating COE maintenance among the bands.[148] Therefore, Frontier states it treated COE maintenance as a basket level exogenous change in the trunking basket, which affects all bands in the trunking basket, including the TIC.[149]

66. Regarding AT&T's claim that it did not remove marketing and central office equipment maintenance expenses from the TIC, Bell Atlantic argues that it complied with the requirements of the *Access Charge Reform Order* by: (1) removing marketing expenses only from services that were not provided to end users; and (2) removing a portion of the COE maintenance costs from the TIC corresponding to the change in the TIC service band index upper limit that resulted from the exogenous adjustment to the trunking basket.[150]

3. Discussion

67. Based on our review of the price cap LECs' tariff filings, we are unable to determine whether the price cap LECs have properly removed from the TIC marketing expenses and COE maintenance expenses. Accordingly, we direct the price cap LECs to provide supporting documentation justifying the amount that was removed from the TIC as COE maintenance and marketing expenses. In particular, the price cap LECs must provide detailed information substantiating the amount of COE maintenance and marketing costs that were removed from the trunking basket, and the portion of that amount that was removed from the TIC. Price cap LECs should explain their theory for determining the portion removed from the TIC. We seek comment on whether the portion removed from the TIC should be based on the relative revenues in each category or the relative switched access revenues in each category, or on a more detailed analysis of the source of the costs.

68. In addition, we tentatively conclude that the price cap LECs must allocate these exogenous cost changes to the TIC as it existed prior to July 1, 1997. Otherwise, the targeting effect that occurred in the July 1, 1997 tariffs could skew the amount of reallocation costs ascribed to the facilities-based TIC. We seek comment on this tentative conclusion.

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[147] Frontier December 18 at 5.

[148] *Id.*

[149] *Id.* at 6.

[150] Bell Atlantic December 17 Reply at 9-10.

C. Whether the Price Cap LECs Properly Estimated the Impact on the TIC Arising from the Use of Actual Minutes of Use Rather than Assumed 9000 Minutes of Use

1. Background

69. The *Access Charge Reform Order* directed incumbent LECs to use actual minutes of use (MOUs) per circuit rather than an assumed 9000 minutes of use to develop their tandem-switched transport rates.[151] Based on the record before the Commission showing that LECs' actual circuit loadings were substantially lower than 9000 MOUs, the Commission found that the continued use of the 9000 MOU assumption has contributed to the level of the non-cost based TIC and was no longer reasonable.[152] The Commission therefore directed incumbent LECs to develop common transport rates based on the relative number of DS1 and DS3 circuits in use in the tandem-to-end office, and to use actual voice-grade circuit loadings, geographically averaged on a study-area-wide basis, that each LEC experienced based on the prior year's annual use.[153] The Commission directed incumbent LECs to use any increase in tandem-switched transport revenues to decrease the TIC.[154]

70. The price cap LECs' tariff filings reveal that average tandem usage in the BOCs' study areas is over 11,000 minutes per trunk. As a result, the recalculated transport rates for the BOCs are lower than their previously-existing rates. The price cap LECs attribute the lower rates to the LECs' use of circuit loading greater than 9000 minutes and to their current DS1 and DS3 rates, which are generally lower than they were in 1993 when the initial common transport rates were developed. Consequently, the price cap LECs made exogenous adjustments that remove revenue from the tandem-switched transport category and add that revenue to the TIC in the amount of $57.3 million.

2. Pleadings

71. AT&T and MCI contend that price cap LEC use of TIC revenues to finance reductions in common transport rates is contrary to the *Access Charge Reform Order*'s expectation that the LECs' recalculation of transport rates would result in higher common transport rates and reduce the TIC.[155] MCI notes that U S West, SWBT, the Sprint LTCs, and certain other price cap LECs have computed reinitialized tandem switched transport rates that are lower than their existing tandem switched transport rates, and are now proposing to increase their TIC in the amount of the tandem switched transport revenue decrease.[156] AT&T identifies PacBell and Nevada Bell as having improperly estimated the impacts on the TIC arising from the use of actual volumes rather than presumed

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[151] *Access Charge Reform Order*, 12 FCC Rcd at 16071-72.

[152] *Id.*

[153] *Id.*

[154] *Id.*

[155] MCI December 23 Petition at 13-16; AT&T December 11 Petition at 18.

[156] MCI December 23 Petition at 13.

volumes.[157] MCI argues that the Commission should not permit the reinitialization of tandem switched transport rates to increase the TIC SBI upper limit. In particular, it contends that there is nothing in the *Access Charge Reform Order* that permits a decrease in common transport revenues to increase the TIC, and that any increase in the TIC would be contrary to the Commission's stated goal to "establish a mechanism to reduce and eliminate the TIC."[158] MCI and AT&T argue that the price cap LECs should be required to reduce the TIC by the amount of any revenue increase if the reinitialized rates exceed existing rates, but if the reinitialized rates are less than existing rates, no adjustment to the TIC SBI upper limit should be made.[159]

72. In reply, the LECs argue that they have calculated their common transport rates consistent with the Commission's rules and that those rates are presumed reasonable.[160] Aliant states that it never made any statements to the Commission regarding actual minutes of use per trunk and, in any event, the LECs are required to develop transport rates in accordance with the methodology adopted in the *Access Charge Reform Order.*[161] Ameritech explains that its recalculated tandem switched transport rates, which are lower than its existing rates, are the logical result of higher fiber-to-copper circuit weighing and lower DS1 and DS3 rates than were in place in its 1993 filing.[162]

73. GTE points out that its average MOUs represent "total actual voice-grade minutes of use" as required by Section 69.111(c)(1) of the rules.[163] It notes that the MOU information provided in the *Access Charge Reform NPRM* represented traffic flowing from the serving wire center to the access tandem or access minutes as opposed to traffic flowing from the end office to the access tandem, which includes not only access minutes, but local and toll minutes as well. GTE explains that in those instances where the common transport rates declined, the residual transport costs were allocated to the TIC. According to GTE, revenues not recovered in the existing common transport facility and termination rates are recovered though an upward revision of the TIC to comply with the price cap rate structure requirement of revenue neutrality within the trunking baskets.[164]

74. Finally, BellSouth argues that any analysis of whether revenues have shifted back to the TIC must take into account the revenues associated with the new common transport multiplexers.

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[157] AT&T December 23 PacBell and Nevada Comments at 9.

[158] *Id.* at 14, *citing Access Charge Reform Order,* 12 FCC Rcd at 16071-78.

[159] MCI Petition at 15; AT&T PacBell and Nevada Comments at 10.

[160] *See, e.g.,* BellSouth December 17 Reply at 12-13; Ameritech December 17 Reply at 11-12; and CBT December 17 Reply at 7.

[161] Aliant December 17 Reply at 5.

[162] Ameritech December 17 Reply at 11-12.

[163] GTE December 17 Reply at 10.

[164] *Id.* at 10.

BellSouth argues that when its reinitialized common transport revenues are combined with the transport multiplexer revenues, the net effect is a shift in revenues from the TIC to common transport.[165]

3. Discussion

75. Before the *Access Charge Reform Order*, section 69.111(c) stated that:

> "tandem-switched transport rates generally shall be presumed reasonable if the telephone company bases the charges on a weighted per-minute equivalent of direct-trunked transport DS1 and DS3 rates that reflect the relative number of DS1 and DS3 circuits used in the tandem-to-end office links . . . , calculated using a *loading factor of 9000 minutes of use* per month per voice-grade circuit."[166]

Section 69.111(c)(1) now states that:

> "[t]hrough June 30, 1998, tandem-switched transport transmission charges generally shall be presumed reasonable if the telephone company bases the charges on a weighted per-minute equivalent of direct-trunked transport DS1 and DS3 circuits used in the tandem-to-end office links . . . , calculated using the *total actual voice-grade minutes of use*, geographically averaged on a study-area-wide basis, that the incumbent local exchange carrier experiences based on the prior year's annual use."[167]

The Commission adopted the new rule based on evidence in the record presented by the LECs showing that the actual traffic levels for many LECs was substantially lower than 9000 minutes of use per month.[168] The Commission found that use of the 9000-minute assumption had caused revenues to be assigned to the TIC that would have been assigned to switched transport rates if actual MOU had been used to develop those rates in 1993. The Commission expected that use of actual MOU would cause an increase in tandem-switched transport rates, and directed that increase to be offset by a decrease in the TIC. Instead, LECs have decreased their tandem-switched transport rates and increased the TIC.

76. Based on our review of the price cap LEC tariff filings and the associated pleadings, it appears that all of the price cap LECs' transport rates between the tandem switch and the end office

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[165] BellSouth December 17 Reply at 13.

[166] 47 C.F.R. § 69.111(c). (Italics added).

[167] 47 C.F.R. § 69.111(c)(1). (Italics added).

[168] *Access Charge Reform Order*, 12 FCC Rcd at 16070-71.

did indeed decline when LECs based those rates on the actual MOUs per voice-grade circuit rather than the previously assumed 9000 MOUs. The LECs have chosen to make up the difference between the new and old revenues by increasing the TIC. It appears that a portion of the rate reductions is due to the fact that the price cap LECs not only replaced the 9000 minutes of use assumption with actual data in performing their calculations, but also took into account decreased DS1 and DS3 rates as well as lower transport costs resulting from new technology.

77. When the Commission ordered price cap LECs to recalculate rates for the common transport portion of tandem-switched transport using actual minutes of use for circuit loading rather than assuming 9000 minutes of use per month,[169] it was for the purpose of removing from the TIC any revenues attributable to the use of that particular assumption when the TIC was first established. The Commission did not contemplate that price cap LECs would adjust any other inputs into the calculation to reflect current data. Such an approach serves to generate additional TIC, which was not the Commission's intention.

78. We recognize that the Commission did not amend section 69.111(c) of the Commission's rules[170] to state explicitly that 1993 data rather than current data should be used for other elements of the formula in that section of the Commission's rules. That rule, however, must be read in context with section 69.1(c)[171] of the Commission's rules, which states that section 69.111(c) only applies to price cap LECs for purposes of computing initial charges for new rate elements. Thus, the amendment to section 69.111(c) applies only to rate-of-return carriers, which recalculate their tandem-switched transport rates each year with updated data. They continue to do so under the amended rule, but replacing the 9000 minutes of use assumption with actual minutes. We tentatively conclude that price cap carriers should not recalculate their tandem-switched transport rates pursuant to section 69.111(c). We seek comment on this conclusion.

79. Further, we tentatively conclude that to satisfy the *Access Charge Reform Order*, the price cap LECs should recalculate tandem-switched transport rates using the same data that was used when they were first established in 1993, except using actual minutes of use for circuit loading, rather than assuming 9000 minutes of use per month. They then should compare those rates to the 1993 rates to determine the amount of the TIC that was attributable to using the 9000 minutes of use assumption. They should then determine what percentage of the original TIC was therefore attributable to the 9000 minutes of use assumption and make an exogenous adjustment to their June 30, 1997 TIC SBI by that percentage. LECs should make a corresponding exogenous adjustment to their tandem-switched transport SBIs, based on the percentage of tandem-switched transport revenue attributable to the 9000 minutes of use assumption. We seek comment on this approach, or on any other alternative approach a company requests the Commission consider. We also seek comment on whether price cap LECs should be permitted to increase their TIC, or whether they should only be permitted to reduce their TIC. If price cap LECs were not permitted to increase their TIC to reflect actual minutes of use

[169] *Access Charge Reform Order*, 12 FCC Rcd at 16070-71.

[170] 47 C.F.R. § 69.111(c).

[171] 47 C.F.R. § 69.1(c).

above 9,000, then none of the SBIs in the trunking basket would be affected by the use of actual minutes.

80. We reject BellSouth's claim that the *Access Charge Reform Order* included the cost of multiplexers in the reinitialization of tandem-switched transport rates when 9000 minutes of use was replaced by actual minutes of use as the divisor in the transport rate formula. The methodology used in the calculation of the tandem-switch transport rate is based only on the weighted average of DS1 and DS3 rates and does not include the cost of multiplexers. Nevertheless, we seek comment on whether multiplexer costs on the end office and serving wire center side are relevant in the computation of the tandem-switch transport rate. LECs should demonstrate that the weighted (by total DS1 and DS3 lines) average of DS1 and DS3 rates divided by actual minutes of use per voice-grade circuit is affected by the multiplexers at the tandem switch.

D. Whether the Price Cap LECs Correctly Recalculated the Residual and Facilities-Based TIC Amounts

1. Background

81. The *Access Charge Reform Order* requires incumbent LECs to separate their TIC revenues between the portion of the TIC that is facilities-related and that portion of their TIC that cannot be associated with any identifiable cost element -- the residual TIC.[172] They are to reassign the facilities-related TIC revenue to facilities-based charges in three stages, beginning January 1, 1998. The price cap LECs are required to target to the residual TIC the price cap reductions arising in any price cap basket as a result of the application of the "GDP-PI minus X factor" formula until the per-minute TIC is eliminated.[173]

82. As an initial step, incumbent LECs were required to compute their anticipated residual TIC by excluding revenues that were expected to be reassigned on a cost-causative basis to facilities-based charges in the future.[174] Beginning with their July 1, 1997 tariff filings, price cap LECs were required to apply "GDP-PI minus X-factor" adjustments to their anticipated residual TIC. Price cap LECs unable to ascertain the amount of their residual TIC for their tariffs effective on July 1, 1997 were required to use an amount equal to 50 percent of their current TIC.[175] Finally, in their tariffs effective January 1, 1998, the price cap LECs were required to recalculate the residual TIC targeted in their July 1, 1997 tariffs, eliminate any excess targeting that resulted in a larger PCI reduction to the

[172] *Access Charge Reform Order*, 12 FCC Rcd at 16081-84.

[173] *Id.* at 16081.

[174] *Id.* at 16083.

[175] *Id.*

TIC SBI than was required to eliminate the per-minute interconnection charge, and then to direct all necessary exogenous adjustments to their PCIs and SBIs to reverse the effects of excess targeting.[176]

2. Pleadings

83. AT&T contends that Ameritech, Bell Atlantic, CBT, NYNEX, and Sprint LTCs failed to abide by the Commission's directive and provide adequate workpapers showing whether TIC reversal is necessary.[177] AT&T also argues that BellSouth, GSTC, GTOC, Frontier, SWBT, and U S West used the July 1, 1997 TIC instead of the June 30, 1997 TIC.[178] AT&T claims that, as a result, these LECs have failed to determine whether a TIC true-up to reverse the excess X-factor is required.[179]

84. AT&T maintains most of the LECs failed to identify all of the facilities-based TIC removals in their TIC recalculation.[180] AT&T charges that except for GSTC, GTOC, and the Sprint LTCs, the LECs did not use all of the exogenous TIC costs in their recalculations, resulting in an overstatement of TIC rates of approximately $50 million in the aggregate.[181]

85. AT&T also points out that despite the Commission's intent that price cap LECs use the calculation of the remaining facilities-based portion of the TIC to be reallocated for completing the chart CAP-1, Line 690, BellSouth was the only LEC to use the same figure in its Workpaper and in CAP-1, Line 690. AT&T states that the Commission should require other LECs to follow BellSouth's example.[182]

86. AT&T identifies additional errors in the TIC recalculation methodologies used by the price cap LECs.[183] AT&T contends that some price cap LECs, including Nevada Bell, PacBell, SWBT, U S West and BellSouth, used the Annual Filing Proposed TIC revenue instead of the Annual Filing Current TIC revenues to recalculate the new residual TIC. Finally, AT&T is concerned that GSTC and GTOC have improperly increased their TIC in some of their service areas. Therefore,

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[176] *Id.* at 16084.

[177] AT&T December 11 Petition at 27 and Exhibit J.

[178] *Id.* at 29.

[179] *Id.* at 30; AT&T December 23 Petition at 11.

[180] *Id.*

[181] AT&T December 23 Petition at 11.

[182] AT&T December 11 Petition at 31; AT&T December 23 Petition at 10.

[183] AT&T December 23 Petition at 9.

AT&T requests that the Commission require all the price cap LECs to recalculate their residual TIC amounts by using the AT&T recalculation methodology.[184]

87. In response, the price cap LECs' claim that they have recalculated the TIC correctly.[185] For example, Ameritech and SWBT state that they did not perform a separate true-up calculation to determine whether they may have excess targeting of PCI adjustments to the residual TIC because it was not necessary.[186] BellSouth argues that the *Access Charge Reform Order* does not require the use of the June 30, 1997 TIC and, in any event, because it did not have any excess targeting to the TIC, its calculations produce the same amount regardless of which of the two dates is used.[187]

88. U S West, Ameritech, and Frontier contend that they considered all exogenous adjustments in determining TIC rates.[188] Bell Atlantic argues that it need not recalculate the targeting of the residual TIC because the residual TIC in the Bell Atlantic region is larger than the X-factor reductions that were incorporated into the July 1 tariffs.[189]

89. GTE agrees with AT&T that it did not compare the recalculated TIC to the actual targeted TIC revenues.[190] Furthermore, while it acknowledges that it may have understated its TIC revenues by approximately $9.5 million and overstated its common line and traffic revenues by approximately $9.5 million, it notes that the net revenue impact by jurisdiction is zero.[191] Therefore, GTE states that while it is willing to make these adjustments in a compliance filing, "fine tuning the TIC analysis at this time is unnecessary since the unitary transport revenues will change in the 1998 annual price cap filing."[192]

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[184] *Id.* at 12.

[185] *See, e.g.*, Aliant December 17 Reply at 6-7; CBT December 17 Reply at 8; and SNET December 17 Reply at 4.

[186] Ameritech December 17 Reply at 17; SWBT December 17 Reply at 7.

[187] BellSouth December 17 Reply at 13-14.

[188] *See, e.g.*, U S West December 29 Reply at 6; Ameritech December 29 Reply at 7; and Frontier December 29 Reply at 1.

[189] Bell Atlantic December 29 Reply at 7.

[190] GTE December 29 Reply at 4.

[191] *Id.*

[192] *Id.* at 5.

3. Discussion

90. We have reviewed the price cap LECs' tariff filings of December 17, 1997 and their calculation of the residual and facilities-based TIC amounts. We agree with AT&T that in some cases, the price cap LECs have not demonstrated that they calculated these amounts correctly. We note, however, that most price cap LECs still have a non-facilities residual TIC. These companies, therefore, could not have overtargeted their July 1997 X-factor reduction to the TIC. We tentatively conclude that the AT&T workpaper format for the TIC recalculation will properly determine the transport costs that are to be removed from the TIC and the facilities-based portion of the TIC. Accordingly, we direct the price cap LECs that no longer have a non-facilities residual TIC, which are PacBell and certain of the United, Frontier, and GTE operating companies, to recalculate the removal of TIC costs and the facilities-based portion of the TIC using the worksheet provided by AT&T in its December 23 petition.[193] We seek comment on our proposed use of the AT&T worksheet for this purpose. Further, these price cap LECs must include in their direct case a justification of the methodology used to calculate these amounts.

V. RECOVERY OF NEW UNIVERSAL SUPPORT OBLIGATIONS

A. Background

91. A new funding mechanism for universal service was established in the *Universal Service Order*.[194] Contributions to the universal service fund are made by all telecommunications carriers, and the amount of the contribution is a percentage of end-user revenues. In the *Universal Service Order*, the Commission concluded that incumbent LECs may recover universal service contributions via interstate mechanisms.[195] In the *Access Charge Reform Order*, the Commission stated that price cap LECs may treat their contributions to the new universal service mechanisms as exogenous changes to their price cap indices (PCIs).[196] The Commission held that the exogenous adjustment to the PCI, however, should not be made across-the-board because price cap LECs do not recover revenues from end users in all baskets. The baskets containing end-user interstate revenues are the common line, interexchange, and trunking baskets.[197] Price cap LECs electing to recover their universal service obligation through interstate access charges must apportion the amount of the exogenous adjustment among these three baskets on the basis of relative amounts of end-user revenues. In the trunking

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[193] *See* Exhibit TIC Recalculation, page 1, in AT&T December 23 Petition.

[194] *Federal-state Joint Board On Universal Service,* CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997) (*Universal Service Order*); Order on Reconsideration, 12 FCC Rcd 10095 (1997).

[195] *Universal Service Order*, 12 FCC Rcd at 9171.

[196] *Access Charge Reform Order*, 12 FCC Rcd at 16147.

[197] The end-user charges assessed on services in the common line basket are recovered through the SLC; in the interexchange basket, end-user charges are recovered through per-minute toll charges; and in the trunking basket, end user charges are recovered through special access service provided directly to end users.

basket, certain service categories[198] do not recover end-user revenues. Accordingly, the Commission concluded that the service band indices for these service categories should not be increased to reflect the exogenous adjustment to the PCI for the trunking basket. To reflect the exogenous adjustment to the trunking basket PCI, price cap LECs should, instead, increase the service band indices for the remaining service categories in the trunking basket[199] based on the relative end-user interstate revenues generated in each service category.

B. Pleadings

92. AT&T claims that Citizens has erroneously used the total baskets revenues for the distribution of the universal service fund (USF), instead of distributing its USF obligation based on the relative size of the end-user revenue in each basket.[200] AT&T contends that Ameritech has underestimated its end-user revenues in the trunking basket for the distribution of USF, allocating to the trunking basket only $291,029 of its USF exogenous cost out of a total of $111,505,176.[201] AT&T states that this misallocation results in a common line basket exogenous cost overstatement.[202] Ameritech's response is that it has correctly applied the full amount of the exogenous cost adjustment among the common line, interexchange and trunking baskets.[203] AT&T contends that CBT has overstated end-user revenues in the Common Line basket for the purpose of USF distribution and has understated its end-user revenues in the IXC basket.[204] In its reply, CBT states it calculated its USF contributions using FCC Form 457, which is the proper means to make its calculation.[205] AT&T requests that the USF contributions of all price cap LECs be investigated.[206]

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[198] Tandem-switched transport, interconnection charge, and tandem switch signalling. 47 C.F.R. §§ 61.42(e)(2)(v), (vi), and (vii).

[199] The four remaining service categories in the trunking basket are as follows: (1) voice grade entrance facilities, voice grade direct-trunked transport, voice grade dedicated signalling transport, voice grade special access, WATS special access, metallic special access, and telegraph special access services; (2) audio and video service; (3) high capacity flat-rated transport, high capacity special access, and DDS services; and (4) wideband data and wideband analog services. *See* 47 C.F.R. §§ 61.42(e)(2)(i), (ii), (iii), (iv).

[200] AT&T December 11 Petition at 41.

[201] AT&T December 11 Petition at 42.

[202] AT&T December 11 Petition at 42.

[203] Ameritech December 17 Reply at 21.

[204] AT&T December 11 Petition at 43.

[205] CBT December 17 Reply comments at 10-11.

[206] Letter from Brian Masterson, Government Affairs Director, AT&T, to Magalie Roman Salas, Secretary, Federal Communications Commission, January 9, 1998, p. 3.

C. Discussion

93. We conclude that the price cap LECs' allocations of USF contributions among the common line, interexchange, and trunking baskets warrant further review. For each price cap LEC, we calculated ratios of the USF contribution it allocates to the common line, interexchange, and trunking baskets to its total USF contribution. There is a large variance in these ratios among the LECs. For example, Ameritech and GTE allocate 0.26 percent and 1.17 percent of their total USF contributions to the trunking basket, respectively. Conversely, Aliant and Citizens allocate 25 and 23 percent of their total USF contributions to the trunking basket, respectively. The variance in these ratios is partially attributable to the price cap LECs using two different methodologies to allocate their universal service obligations across price cap baskets. The first method relies solely on the interstate end-user revenues reported in column C of lines 34-47 of FCC Form 457, the Universal Fund Worksheet, to determine price cap basket allocation factors. The second method derives price cap basket allocation factors by combining the interstate end-user service category revenue figures summarized on form SUM-1 of the Tariff Review Plan with internal company billing records. The internal company billing records are used to determine the amount of interstate end-user revenues generated by service categories within the trunking basket.

94. These two methodologies allocate different amounts of the universal service fund obligation to individual price cap baskets for any given price cap LEC. The amount of the universal service obligation generated by a particular price cap basket depends on the methodology used.

95. In order to assess the merits of each of the two methodologies, we require all LECs to submit explanations detailing why the methodology each has used more accurately reflects the distribution of interstate end-user revenues across baskets. As part of this explanation, each price cap LEC must explain in detail the methodology it uses and any assumptions it makes to determine these allocations. Price cap LECs must report the interstate end-user revenues they derived from each basket during the accounting period they used to calculate their universal service contribution. If the proportions of the USF contributions that LECs allocate for recovery from the common line, trunking, and interexchange baskets differ from the proportions of the total interstate end-user revenues they report for these baskets, they must explain the reason for this difference. In addition, we seek comment on whether there are any other methodologies superior to the two used by the price cap LECs. We also seek comment on whether we should require all price cap LECs to use the same methodology and, if so, which methodology we should adopt.

96. Ameritech's allocation to the trunking basket of 0.26 percent of its USF exogenous adjustment is derived from data on its FCC Form 457 that reports trunking basket interstate end-user revenues of $1.2 million out of $469.2 million total interstate end-user revenues. Ameritech, however, has provided company records that show interstate end-user revenues generated within the trunking basket of $67.7 million.[207] Ameritech does not explain, nor has it attempted to reconcile, this discrepancy. We require Ameritech to explain in detail in its direct case the reason for this difference.

[207] Ameritech's December 17 Tariff Filing at Exh. 4, p.1.

97. Lastly, Citizens must justify allocating a portion of its USF contribution to the traffic sensitive basket, given the Commission's finding in the Access Reform Order that none of the service categories in this basket generate, interstate end-user revenues.

VI. RECONSIDERATION OF DECISION TO SUSPEND AND INVESTIGATE PRTC's TARIFF FILINGS.

A. Background

98. In the *Access Charge Reform Order,* the Commission concluded that the costs of host/remote links not recovered by the current tandem switch transport rates and currently recovered in the TIC should be included in the tandem switch transport category.[208]

99. In its petition, AT&T argued that PRTC overstated its host/remote revenue requirement for parts of its host/remote investment to be redistributed to the tandem switch termination and tandem switch facilities rates.[209] AT&T attributed this overstatement to PRTC's development of an annual carrying charge factor, which it states was wrongly applied to plant in service investment rather than host/remote net plant. AT&T determined that host/remote costs that are to be assigned to the tandem switched transport rate elements must be reduced by about $3.8 million.[210]

100. In the *Access Charge Reform Suspension Order*, we concluded that AT&T's petition raised substantial questions of lawfulness regarding PRTC's proposed revenue requirement for its host/remote central office equipment (COE) Category 4.3. investment and carrier cable and wire facilities (C&WF) Category 4 investment that is to be redistributed to the tandem switch and tandem switched facility rates.[211] Because the rates in question were interrelated with other rate changes proposed by PRTC, we suspended and initiated an investigation of the entirety of PRTC's tariff filings, Transmittal Numbers 24 and 25.

B. Discussion

101. Pursuant to Sections 1.108 and 0.291 of the Commissions rules,[212] we reconsider on our own motion our decision to suspend and investigate PRTC's tariffs. PRTC has revised the annual carrying charge factor and the host/remote revenue requirement, and has filed a request for special

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[208] *Access Charge Reform Order*, 12 FCC Rcd at 16077.

[209] AT&T December 23 Petition on Rate of Return LEC Filings at 8.

[210] *Id.* at 9.

[211] *See Access Charge Reform Suspension Order* at para. 10.

[212] 47 C.F.R. §§ 0.291, 1.108.

permission to correct Transmittal No. 25.[213] Accordingly, we decline to investigate PRTC Transmittal Numbers 24, 25 and 27.[214]

VII. PROCEDURAL MATTERS

A. Filing Schedules

102. This investigation will be conducted as a notice and comment proceeding. We have designated CC Docket No. 97-250. The following companies are the parties designated to this investigation: Aliant Communications Company, Ameritech Operating Company, Bell Atlantic Telephone Companies, BellSouth Telecommunications, Inc., Frontier Communications of Minnesota and Frontier Communications of Iowa, Frontier Telephone of Rochester, GTE System Telephone Companies, GTE Telephone Operating Company, Nevada Bell, New York Telephone and New England Telephone and Telegraph Company, Pacific Bell, Southern New England Telephone Company, Southwestern Bell Telephone Company, Sprint Local Telephone Companies, and U S West Communications.

103. These parties shall file their direct cases no later than February 27, 1998. The direct cases must present the parties' positions with respect to the issues described in this Order. Pleadings responding to the direct cases may be filed no later than March 16, 1998, and must be captioned "Oppositions to Direct Case" or "Comments on Direct Case." The companies may each file a "Rebuttal" to oppositions or comments no later than March 23, 1998.

104. An original and six copies of all pleadings shall be filed with the Secretary of the Commission. In addition, parties shall file two copies of any such pleadings with the Competitive Pricing Division, Common Carrier Bureau, Room 518, 1919 M Street, N.W., Washington, D.C. 20554. Parties shall also deliver one copy of such pleadings to the Commission's commercial copying firm, International Transcription Service, Inc., 1231 20th Street, NW, Washington, DC 20036. Members of the general public who wish to express their views in an informal manner regarding the issues in this investigation may do so by submitting one copy of their comments to the Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Room 222, Washington, D.C. 20554. Such comments should specify the docket number of this investigation. Parties are also encouraged to sumit their pleadings electronically through the Electronic Tariff Filing System.

105. All relevant and timely pleadings will be considered by the Commission. In reaching a decision, the Commission may take into account information and ideas not contained in pleadings, provided that such information or a writing containing the nature and source of such information is placed in the public file, and provided that the fact of reliance on such information is noted in the order.

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[213] Application for Special Permission No 7, filed January 9, 1998.

[214] *See* n.1, *supra*.

B. *Ex Parte* Requirements

106. This tariff investigation is a "permit-but-disclose proceeding" and subject to the "permit-but-disclose" requirements under Section 1.1206(b) of the rules, 47 C.F.R. § 1.1206(b), as revised. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required.[215] Other rules pertaining to oral and written presentations are set forth in Section 1.1206 (b), as well.

C. Paperwork Reduction Act

107. The collections of information contained within are contingent upon approval by the Office of Management and Budget, in accordance with the provisions of the Paperwork Reduction Act, 44 U.S.C. §§ 3506 et seq.

VIII. ORDERING CLAUSES

108. **IT IS ORDERED** that, pursuant to Sections 4(i), 4(j), 201(b), 203(c), 204(a), 205, and 403 of the Communications Act, 47 U.S.C. §§ 154(i), 154(j), 201(b), 203(c), 204(a), 205, and 403, and Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the issues set forth in this Order **ARE DESIGNATED FOR INVESTIGATION**.

109. **IT IS FURTHER ORDERED** that the local exchange carriers listed in Appendix A of this Order **SHALL BE** parties to this proceeding.

110. **IT IS FURTHER ORDERED** that each local exchange carrier that is a party to this proceeding **SHALL INCLUDE**, in its direct case, a response to each request for information that it is required to answer in this Order.

111. **IT IS FURTHER ORDERED** that pursuant to Sections 0.91, 0.291 and 1.108 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.108, we reconsider on our own motion our decision

[215] *See* 47 C.F.R. §1.1206 (b)(2), as revised.

in the *Access Charge Reform Tariffs Suspension Order* to suspend and investigate the tariff revisions filed by Puerto Rico Telephone Company, Transmittal Numbers 24, 25 and 27.

FEDERAL COMMUNICATIONS COMMISSION

A. Richard Metzger, Jr.
Chief, Common Carrier Bureau

APPENDIX A

Filings made by Local Exchange Carriers

November 26, 1997

Ameritech Operating Companies	Transmittal No. 1135
BellSouth Telecommunications, Inc.	Transmittal No. 434
GTE System Telephone Companies	Transmittal No. 226
GTE Telephone Operating Companies	Transmittal No. 1123
Aliant Communications Company	Tariff Review Plan
Ameritech Operating Companies	Tariff Review Plan
Bell Atlantic Operating Companies	Tariff Review Plan
BellSouth Telecommunications, Inc.	Tariff Review Plan
Cincinnati Bell Telephone Company	Tariff Review Plan
Citizens Telecommunications Companies	Tariff Review Plan
Frontier Communications of Minnesota and Iowa	Tariff Review Plan
Frontier Telephone of Rochester	Tariff Review Plan
GTE System Telephone Companies	Tariff Review Plan
GTE Telephone Operating Companies	Tariff Review Plan
NYNEX Telephone Companies	Tariff Review Plan
Southern New England Telephone Company	Tariff Review Plan
Southwestern Bell Telephone Company	Tariff Review Plan
Sprint Local Telephone Companies	Tariff Review Plan
U S West Communications, Inc.	Tariff Review Plan

December 8, 1997

Nevada Bell	Tariff Review Plan
Pacific Bell	Tariff Review Plan

December 17, 1997

Aliant Communications Company	Transmittal No. 10
Ameritech Operating Companies	Transmittal No. 1136
Bell Atlantic Operating Companies	Transmittal No. 1016
BellSouth Telecommunications, Inc.	Transmittal No. 435
Cincinnati Bell Telephone Company	Transmittal No. 712
Citizens Telecommunications Companies	Transmittal No. 42
Frontier Communications of Minnesota and Iowa	Transmittal No. 10
Frontier Telephone of Rochester	Transmittal No. 2
GTE System Telephone Companies	Transmittal No. 228
GTE Telephone Operating Companies	Transmittal No. 1127
Nevada Bell	Transmittal No. 232
NYNEX Telephone Companies	Transmittal No. 477

Pacific Bell	Transmittal No. 1959
Puerto Rico Telephone Company	Transmittal No. 24
Puerto Rico Telephone Company	Transmittal No. 25
Southern New England Telephone Company	Transmittal No. 704
Southwestern Bell Telephone Company	Transmittal No. 2678
Sprint Local Telephone Companies	Transmittal No. 44
U S West Communications, Inc.	Transmittal No. 884

December 19, 1997

Bell Atlantic Telephone Companies	Transmittal No. 1017
Citizens Telecommunications Companies	Transmittal No. 43
GTE System Telephone Companies	Transmittal No. 230
GTE Telephone Operating Companies	Transmittal No. 1128
Nevada Bell	Transmittal No. 233
Southern New England Telephone Company	Transmittal No. 705
Southwestern Bell Telephone Company	Transmittal No. 2679

December 23, 1997

NYNEX Telephone Companies	Amended Transmittal No. 477
U S West Communications, Inc.	Transmittal No. 885

December 29, 1997

Bell Atlantic Telephone Companies	Amended Transmittal No. 1016

December 30, 1997

Sprint Local Telephone Companies	Transmittal No. 46
U S West Communications, Inc.	Transmittal No. 886

January 20, 1998

Aliant Communications Company	Transmittal No. 12
Ameritech Operating Companies	Transmittal No. 1139
Bell Atlantic Operating Companies	Transmittal No. 1023
Cincinnati Bell Telephone Company	Transmittal No. 714
Citizens Telecommunications Companies	Transmittal No. 45
Nevada Bell	Transmittal No. 235
NYNEX Telephone Companies	Transmittal No. 479
Pacific Bell	Transmittal No. 1966
Puerto Rico Telephone Company	Transmittal No. 27
Southwestern Bell Telephone Company	Transmittal No. 2684
U S West Communications, Inc.	Transmittal No. 890

January 22, 1998

Nevada Bell	Transmittal No. 236
Pacific Bell	Transmittal No. 1967
Southwestern Bell Telephone Company	Transmittal No. 2686

Petitions and Comments

The following parties filed petitions and comments against the January 1, 1998 Tariff Filings. The names in parentheses are used for these parties throughout the Order.

AT&T Corp. (AT&T)
- December 11, 1997 Comments and Petition
- December 23, 1997 Petition on Rate-of-Return LECs
- December 23, 1997 Petition
- December 23, 1997 Comments on Pacific Bell and Nevada Bell

MCI Telecommunications Corporation (MCI)
- December 10, 1997 Petition
- December 10, 1997 Comments
- December 23, 1997 Petition

Sprint Communications Company, L.P. (Sprint)
- December 10, 1997 Comments
- December 23, 1997 Petition

Teleport Communications Group Inc. (TCG)
- December 23, 1997 Petition

Replies

Aliant Communications Company
- December 17, 1997 Reply
- December 29, 1997 Reply

Ameritech Operating Companies
- December 17, 1997 Reply
- December 29, 1997 Reply

Bell Atlantic Operating Companies
- December 18, 1997 Reply
- December 29, 1997 Reply

BellSouth Telecommunications, Inc.
- December 17, 1997 Reply
- December 29, 1997 Reply

Cincinnati Bell Telephone Company
- December 17, 1997 Reply
- December 29, 1997 Reply

Citizens Telecommunications Companies
- December 29, 1997 Reply

Frontier Telephone Companies [Frontier Communications of Minnesota and Iowa, and Frontier Telephone of Rochester]
- December 17, 1997 Reply
- December 29, 1997 Reply

GTE Telephone Operating Companies and GTE Systems Telephone Companies
- December 17, 1997 Reply
- December 29, 1997 Reply

Puerto Rico Telephone Company
- December 29, 1997 Reply

Southern New England Telephone Company
- December 17, 1997 Reply
- December 29, 1997 Reply

Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell
- December 17, 1997 Reply
- December 29, 1997 Reply

Sprint Local Telephone Companies
- December 17, 1997 Reply
- December 29, 1997 Reply

U S West Communications, Inc.
- December 17, 1997 Reply
- December 29, 1997 Reply

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Appendix B
Page 1

WORKSHEET

Using the codes and worksheets provided on Pages 2 and 3, indicate the criteria used in determining line counts by following the examples on Page 4.

I. Line Count Data Formation
(Use All that apply.)

II. Line Count Data Identification
(Report in Classification Sequence.)

	Data				Criteria			
	Sources	Search	Collection	Time Period	First	Second	Third	Fourth
Primary Residential Lines								
Single Line Business								
Non-Primary Residential Lines								
BRI - ISDN Lines								

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I. LINE COUNT DATA FORMATION - Include all that apply on Page 1.

Data Sources: Where did you get your information on line count data?

(D1) Billing records.
(D2) Account records other than billing.
(D3) Specific USOC/CRIS Field Indicator (FID) or ADL designations.
(D4) Inventory records.
(D5) Maintenance records.
(D6) Service order records.
(D7) Plant or continuing property records.
(D8) Results of estimates/projections based on study. (See below.)
(D9) Provide full description of original source.
(D0) Other: Explain source in detail.

Data Search: How did you calculate the totals reported for each of the line count categories?

(S1) Counted individual lines.
(S2) Counted one line type (eg. PR Line)and subtracted from line count total.
(S3) Counted lines from a sample of company records, then forecast/estimate. Explain methodology including: Means of choosing sample (eg. Random, Systematic, etc.), Sample size, Forecast calculations and underlying assumptions including justification of sample representation.
(S4) Results from formal model used to estimate Line Demand. Explain in detail including all Assumptions, Parameters, Factors, etc.
(S0) Other: Explain in detail.

Data Collection: At what level of aggregation was the data available?

(C1) Per Service Area (LATA or Marketing Area)
(C2) Per State
(C3) Per Administrative/Customer Service Office
(C4) Per Billing Office
(C5) Per Central Office
(C6) Per Area Code
(C7) Per Local Exchange
(C8) Per Remote Office
(C0) Other. Explain in detail.

Time Period of Data: What time frame does the line count represent?

(T1) "Snapshot" - Specify Time Period.
(T2) Average over time period. Specify time period.
(T0) Other. Explain in detail.

Additional Data Categories: Did you use any other type of data collection criteria not mentioned above?

(O1) Other. Fully define.

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II. **LINE COUNT DATA IDENTIFICATION** - For each criteria used in determining your line counts, report in order or sequence of classification.

Location or Premise: How was location used to classify lines?

(L1) Residential/commercial building where lines are located - main structure address only.
(L2) Residential/commercial address where lines are located including those separated by units, apartment, room, suite or other sub-classification for multiple unit addresses.
(L3) Billing address - Includes L2 and other addresses where phone lines are not located (eg. PO Box, management company, administrative office.)
(L0) Other location category. Explain in detail.

Customer Name: How was a name designation used to classify line count data?

(B1) Customer/Subscriber - Full name.
(B2) Customer/Subscriber - Last Name only.
(B3) Customer/Subscriber - Other. Identify criteria.

Number Codes for Single Line Business and BRI-ISDN Lines: How was number coding used to classify these types of lines?

(N1) Billing Number identifies type of line.
(N2) Account Number (if Different than Billing Number)identifies type of line.
(N3) Other Number such as Invoice/Work Order/Service Order/Inventory Number in Numerical Order identifies type of line.
(N4) Phone Number identifies type of line.
(N5) Field Indicator identifies type of line.
(N0) Other. Provide definition.

Number Codes for Primary and Non-Primary Residential Lines: How was number coding used to classify these types of lines?

(A1) Account or Billing Number - numerical order (cardinal ranking)of phone number prefix/suffix determines Primary Residential(PR)Line.
(A2) Account or Billing Number - date of installation and then order of installation determines Primary Residential Line if multiple lines installed on same date. Explain in detail how order is determined and who/what determines order.
(A3) Account or Billing Number - date of installation determines Primary Residential Line, arbitrary determination of Primary Residential Line if multiple lines installed on same date.
(A4) Assigned Number - Invoice/Work Order/Inventory Number - numerical order (cardinal ranking)of phone number prefix/suffix determines Primary Residential Line.
(A5) Assigned number - Numerical Invoice/Work Order/Inventory Number not determined by phone number - Date of installation and then order of installation determines Primary Residential Line if multiple lines installed on same date. Explain in detail how order is determined and who/what determines order
(A6) Customer designates Primary Residential Line.
(A7) Each Phone Number/Line has an individual Account/Billing Number or Invoice/Work Order/Inventory Number.
(A0) Other. Explain in detail.

Residential Lines Identifier (not Categorized by Number) - If you used another criteria or sorting method for residential lines, please indicate.

(R1) All Residential Lines: - Numerical order of phone number prefix/suffix determines Primary Residential Line.
(R2) All Residential Lines: Designation of one line as Primary Residential Line where earliest date of installation then order of installation determines Primary Residential Line if multiple lines installed on same date. Explain in detail how order is determined and who/what determines order.
(R3) All Residential Lines: Designation of Primary Residential Line is arbitrary.
(R4) Field Identifier for Primary Residential Line.
(R5) Other Residential Line classification. Please define fully.

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The following is an example Worksheet as in Page 1.

I. Line Count Data Formation (Use All that apply.)				II. Line Count Data Identification (Report in Classification Sequence.)			
Data				Criteria			
Sources	Search	Collection	Time Period	First	Second	Third	Fourth
D5	**S1**	**C5**	**T1**				
Example 1:				**L3**	**B1**	**A1**	
Example 2:				**B2**	**R2**	**L2**	

I. Line Count Data Formation - The source and collection codes above indicate that each individual line was counted at the central office from company maintenance records as a snapshot of the **Billing Cycle September 8 - October 5, 1996.**

II. Line Count Data Identification

EXAMPLE 1 - L3, B1, A1

The criteria codes above show that records were first sorted by billing address, second by customer full name, and third by account number. Finally, the lowest telephone number was then classified as the Primary Residential Line.

EXAMPLE 2 - B2, R2, L2

This example shows that records were first sorted by customer last name, second by counting all residential lines sorted by date of installation and then order of installation, at each address where the lines are located.

Applying the selection criteria in Example 1 and Example 2 to the following **RESIDENTIAL LINE** data set would yield the following Primary Residential Line (**P**) and Non-Primary Residential Line (**NP**) count results.

Customer	Billing/ Account No.	Line Location	Phone Numbers	Installation Date (Order)	Service/Inv. Work Order No.	Billing Address	P/NP Results EX.1	P/NP Results EX.2
N. Adams	555-1111 6789	123 Elm #1	555-1111	1/1/96 (1)	6789 - 1111	P.O.	**P**	**P**
			555-1112	1/1/96 (2)	6789 - 1112	Box 123	**N**	**N**
P. Adams	555-2222 6789	123 Elm #1	555-2221	5/5/96	6789 - 2221	P.O.	**P**	**N**
			555-2222	4/5/96	6789 - 2222	Box 123	**N**	**N**
P. Adams	555-3333 4567	123 Elm #2	555-3333	3/3/96	4567 - 3333	P.O. Box 123	**P**	**P**
P. Boyd-Adams	555-4444 5678	123 Elm #2	555-4444	4/5/96	5678 - 4444	P.O.	**P**	**P**
			555-4448	7/5/96	5678 - 4448	Box 123	**N**	**N**
F. Boyd-Adams	555-4447 5678	123 Elm #2	555-4447	5/5/96	5678 - 4447	P.O. Box 123	**P**	**N**