

State Cost Study

46-45

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

1. **State:** South Carolina
2. **Company Examined:** BellSouth and GTE (separate reports filed)
3. **Model:** BCPM 3.1
4. **Support Estimates:**
5. **Support Area:** -individual grid, CBG, or wire center level (BellSouth, p. 32; GTE, p. 39).
6. **Lines Supported:** BCPM default.
7. **Changes in Platform:** none
8. **Changes in Inputs:**
 - Bell South (p. 2-4)
 - costs for cable
 - structure (cost of placing conduit, buried cable, poles, anchors, guys)
 - switches
 - other network components: terminals, drop, NID, protector, cable sizing factor, switching, electronic fill
 - GTE (p. 3)
 - cost of money
 - depreciation lives and salvage values (listed in detail on p.33-34)
 - fill factors for feeder-59% feeder fill (density zones 0-5 and 6-100 used 76.7%)

structure mix assumptions
structure sharing assumptions-95% and 100% for buried and underground

taxes-state specific
operating expenses (as a percent of investment and per line)
percent local and toll calls

poles, anchors and guys
manholes
special access line radio
switching-average fill of 83% used

9. Cost of Capital:

BellSouth-10.85% (p. 5)

GTE -10.63% (p.3)

10. **Use by State:** An intrastate program for non-rural universal service support has not yet been implemented. (p. 33).

11. Other:

Overall, the South Carolina Commission does a wonderful job of justifying every aspect of the BCPM model with regard to the FCC Criteria. On page 24 of BellSouth's version, there is an in-depth discussion of problems associated with the "long-run."