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CENTRAL UTAH TELEPHONE INC.

45 West Center Street Fairview Utah 84629 (801) [illegible]

EST 1908

August 7, 1998

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

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of Central Utah Telephone, Inc. in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self-addressed stamped envelope.

Any questions regarding this filing may be directed to me at (435) 427-3227.

Sincerely,

Eddie L. Cox
Vice President

cc: Competitive Pricing Division
Common Carrier Bureau
Room 518
1919 M Street NW
Washington, DC 20554

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Encl.

An Independent Telephone Company

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CENTRAL UTAH TELEPHONE INC.
45 West Center St. Fairview, Utah 84629
EST. 1908

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

In the Matter of	)	
	)	
Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation	)))	CC Docket No. 98-77

COMMENTS OF CENTRAL UTAH TELEPHONE, INC.

Central Utah Telephone, Inc. is a small rural local exchange carrier serving 1,511 access lines in the state of Utah. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NRPM) for access reform for rate-of-return incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision the Billing & Collection service using their own computers, it is not appropriate for the small rural LECs that rely heavily on service bureaus for the provisioning of this service. Small LECs have very little opportunity to reduce billing & collection costs because they are dependent on outside service bureaus for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This

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proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXC's.

In 1996 Central Utah Telephone had ($7,408) revenue for the interstate billing and collection service compared to a cost of $6,148 resulting in a loss of $13,556 before the OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 costs results in an interstate billing and collection cost of $10,038 which increases the loss on the service to $17,446. Taking this analysis the next step and folding on the proposed GSF change results in a cost assigned to interstate billing and collection of $15,286, increasing the loss on the service to $22,694.

We ask the Commission to reject the proposed change, which would jeopardize the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

Eddie L. Cox
Central Utah Telephone, Inc.