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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
1998 Biennial Regulatory Review --	)	CC Docket No. 98-117
Review of ARMIS Reporting Requirements	)	

COMMENTS OF THE UNITED STATES TELEPHONE ASSOCIATION

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SUMMARY

Pursuant to Section 11 of the Telecommunications Act of 1996 and the pro-competitive de-regulatory national telecommunications policy established by that statute, the Commission should eliminate the ARMIS reports for all incumbent LECs. The reports have outlived their usefulness, pose unnecessary and costly administrative burdens and provide the competitors of incumbent LECs who do not have the expend resources to file such reports or reveal the competitively-sensitive data contained in those reports with an advantage. These reports do not serve the public interest and do not promote fair and efficient competition.

The Commission's proposals, to eliminate the paper filing requirements, to eliminate certain row and column information in the 43-01 and 43-04 and to eliminate the reporting requirements for mid-sized incumbent LECs provide a much-needed first step in reducing regulation, but do not meet the Section 11 mandate.

The burdens posed by these reports are particularly unreasonable given the fact that incumbent LECs are forced to refile old reports and respond to data requests which duplicate the information collected in ARMIS. There are less burdensome alternatives which provide sufficient information. ARMIS is not required to fulfill any statutory obligations imposed by the Act. It also makes little sense to only require carriers subject to price cap regulation to continue to maintain and file these reports when price cap regulation breaks the link between costs and prices.

If the Commission can determine that the benefits of the ARMIS reports outweigh the costs, the Commission should streamline the reports to eliminate duplication and provide a meaningful reduction in the regulatory burden. USTA provides the following recommendations

to reduce the volume and complexity of the current ARMIS reports while maintaining the quality and use of the information.

USTA proposes that the Commission utilize a single annual report to replace the current financial reports. The new report would: eliminate cash flow information which is available from external sources; eliminate demand data since usage and lines are reported in the Tariff Review Plans; eliminate tables related to rate of return regulation; eliminate the plant and depreciation reserve tables; reduce the Part 69 reporting categories from sixteen to six; reduces the Part 64 level of detail; eliminates the Joint Use Forecast and Actual Reports; and maintains the Class B level of detail.

The ARMIS network reports were initiated to measure service quality under price cap regulation. Since the Commission has found the service quality has not declined, there is no reason to continue these reports. However, at a minimum, USTA recommends eliminating Tables I, II, III, IV.A and V of the 43-05; the 43-06 report; Tables I, II, III and IV of the 43-07, and columns d through o of Table I and Tables II, III and IV of the 43-08.

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COMMENTS OF THE UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) respectfully submits its comments in the above-referenced proceeding. USTA is the principal trade association of the local exchange carrier (LEC) industry. Its members provide over 95 percent of the incumbent LEC-provided access lines in the U.S. Among USTA's members are those incumbent LECs subject to the Commission's Automated Reporting Management Information System (ARMIS) reports. These companies seek relief from the current costly and burdensome reporting requirements as discussed below.

I. MAINTAINING THE CURRENT ARMIS REPORTS CANNOT BE JUSTIFIED.

In this proceeding, the Commission proposes to modify the ARMIS reports pursuant to Section 11 of the Telecommunications Act of 1996. Section 11 requires the Commission, in every even-numbered year, to examine all of its rules and to eliminate or modify those rules which no longer serve the public interest due to meaningful economic competition between providers. The Commission's proposals provide a much-needed first step in reducing the regulatory burden on mid-sized incumbent LECs. However, these proposals do not meet the

Commission's statutory obligation. The NPRM does not provide sufficient relief for the incumbent LECs which provide nearly 90 percent of the telecommunication industry's revenues. All of the ARMIS reporting requirements originated during a period when all incumbent LECs were subject to traditional cost of service regulation or price cap regulation with sharing. It makes no sense to continue to require the incumbent LECs which are no longer subject to those forms of regulation to submit ARMIS reports. A true biennial review should have analyzed the new statutory mandate to establish a pro-competitive, de-regulatory national telecommunications policy as well as the other changes in the telecommunications environment since the ARMIS reports were first implemented to determine if these reports continue to serve the public interest. Given the dramatic changes in regulation, technology and the telecommunications market, if such an analysis had been undertaken, the Commission's proposals would have been far different.

USTA believes that the ARMIS reports have outlived their usefulness, pose unnecessary and costly administrative burdens and should be eliminated. There is nothing in the NPRM which even suggests that the ARMIS reports should be continued under the new telecommunications policy which the Commission is required to develop and implement. In a competitive environment, the Commission should not be providing arbitrary advantages for some competitors by handicapping others with costly and burdensome reporting requirements. Such actions do not serve the public interest because they do not promote fair and efficient competition. The reporting requirements for incumbent LECs should be no more stringent than for other telecommunications competitors. Further, the ARMIS reports can and are used by competitors to gain a competitive advantage by providing financial and service information about incumbent LECs which competitors would never disclose publicly.

The burden of completing and filing the ARMIS reports cannot be justified. Incumbent LECs must expend significant man hours each year to file these reports. For example annually, in order to complete and file all the reports, Ameritech estimates that it must spend approximately 15,735 hours, Bell Atlantic estimates 7,710 hours, Cincinnati Bell estimates 4,100 hours (Cincinnati Bell does not file the 43-06), SBC estimates 25,000 hours and U S WEST estimates 6,900 hours. Incumbent LECs face an additional burden of responding to Commission requests to refile prior year reports. Recreating data files, particularly for old reports, is time consuming, costly and does not provide any ratepayer benefit. If such requests have no impact on industry results for a particular year, they should not be required. Despite the resources which the Commission requires be devoted to these reports, it appears that the Commission does not even rely on them. In a recent Order, the Commission is requiring that certain companies respond to a data request even though some of the information is already available to the Commission in the ARMIS reports.[1] This type of unnecessary regulatory burden must be eliminated. Such regulatory burdens should not be imposed on one class of competitor in a pro-competitive, de-regulatory telecommunications environment.

There are less burdensome alternatives which are available to the Commission. Any relevant financial information can be obtained from the 10K form which corporations file with the Securities and Exchange Commission. In addition, company annual shareholder reports

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[1]Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Forward-Looking Mechanism for High Cost Support for Non-Rural LECs, CC Docket No. 97-160, *Order*, DA 98-1576 (rel. August 7, 1998).

could be utilized by the Commission to obtain publicly available financial information. The use of these alternatives would be competitively neutral, would provide sufficient financial information and would significantly reduce administrative costs. Likewise, service quality specifications are already included in publicly available information. State commissions also collect information on service quality. There is no reason for the Commission to require incumbent LECs to collect and file duplicative reports.

Contrary to the Commission's assertions, the ARMIS reports are not required to assist the Commission in determining whether rates are just, reasonable and do not improperly discriminate or in detecting improper cross subsidy. For certain carriers, price cap regulation breaks the link between costs and rates. Once the rates for price capped services are established, prices are regulated by the price cap formula, not by the allocation of costs. Since prices are capped, changes in costs or in cost allocations do not affect prices. Thus, price cap carriers may charge the capped price whether or not its costs for the regulated service changes. Information relevant to the Commission's statutory responsibilities are included in the Tariff Review Plans.

As USTA pointed out in CC Docket No. 98-81, the statutory provisions cited by the Commission as justification for imposing onerous reporting requirements on certain incumbent LECs do not require the continuation of the current ARMIS reports.[2] Section 254(k) refers to services included in the universal service definition and relates to the universal service funding an eligible carrier receives from the Universal Service Fund Administrator. In fact, the

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[2]USTA Comments, 1998 Biennial Regulatory Review — Review of Accounting and Cost Allocation Requirements CC Docket No. 98-81 and United States Telephone Association Petition for Rulemaking ASD File No. 98-64, filed July 17, 1998.

Commission has interpreted Section 254(k) to require carriers to give Lifeline payments from the universal service fund to the customer.[3] It does not require ARMIS reporting. Likewise, the Section 260,271,275 and 276 requirements that telephone exchange services not subsidize telemessaging, incidental interLATA, alarm monitoring and payphone service do not require ARMIS reports. Sections 272, 273 and 274 contain requirements for separate affiliates. None of these sections require ARMIS reports. The ARMIS reports should be discontinued.

USTA also showed that the Commission's other rationale does not support maintaining the current level of regulatory scrutiny. The Class A level of detail does not identify lobbying expenses for auditing purposes. The data provided by USTA showed that the amount of industry activity related to nonregulated products and services is nominal for the largest incumbent LECs. The Act no longer requires dual regulation of pole attachment fees, so there is no reason for the Commission to include this information in the ARMIS reports. Given that the Commission's basis for maintaining a Class A accounting level of detailed is not sustainable, there is likewise no reason to maintain the current reporting level of detail.

If the Commission determines, based on the facts in the record before it, that the benefits of continuing the ARMIS reports do outweigh the costs, USTA proposes simplifications to the ARMIS reports that should be adopted for carriers that must continue to file these reports. Specifically, as depicted in Attachment A, USTA proposes that a single annual report, an ARMIS 43-00, replace the existing series of financial reports: ARMIS 43-01 (Annual Summary Report), ARMIS 43-02 (USOA Report), ARMIS 43-03 (Joint Cost Report) and ARMIS 43-04

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[3]Federal State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd 8776 (rel. May 8, 1997) at ¶ 366.

(Access Report). USTA also proposes to eliminate certain Tables in order to simplify the network ARMIS reports: 43-05 (Service Quality), ARMIS 43-07 (Infrastructure) and ARMIS 43-08 (Operating Data) and to eliminate the ARMIS 43-06 (Customer Satisfaction). Attachment B shows the changes proposed in the 43-02 report and Attachment C shows the changes proposed in the ARMIS network reports. USTA's proposals are consistent with and meet the requirements of Section 11 by modifying the current reports to reduce the volume and complexity of the current reports which is not necessary in a pro-competitive, de-regulatory telecommunications environment. These proposals should be adopted immediately as an interim step which will eventually lead to the elimination of the ARMIS reports.

II. THE COMMISSION SHOULD ELIMINATE THE PAPER FILING REQUIREMENT.

USTA supports the Commission's tentative conclusion to eliminate the paper filing requirements and to transition to an electronic-only reporting program. While this proposal will modestly reduce the burden described above, assuming that the ARMIS reports survive Section 11 scrutiny, it does not provide sufficient regulatory relief. USTA estimates a savings of approximately $150,000 annually based on the Commission's burden estimate. Incumbent LECs would still be required to assume the costs of preparing the reports which, as discussed above, have not been shown to have any public interest benefit. USTA urges the Commission to direct the Bureau to work closely with incumbent LECs and provide sufficient time to address and consider issues related to security, edit checks, treatment of proprietary data and any other implementation problems which may arise. It is important that the Commission ensure that the data are not damaged during the transmission and packaging by the Commission and cannot be altered. Once the transition to electronic-only filing is complete, the Commission should also eliminate the requirement to file computer disks.

III. THE COMMISSION SHOULD ADOPT USTA'S PROPOSALS TO STREAMLINE THE ARMIS REPORTS.

The Commission proposes to eliminate certain row and column information related to equal access, inside wire and payphone investment from the ARMIS 43-04 Access Report and the ARMIS 43-01 Annual Summary Report as this information is no longer necessary. While USTA agrees with these changes, they are hardly worth the time and expense required to prepare the NPRM. They certainly do not represent the effort necessary to satisfy the Section 11 mandate and will not provide meaningful regulatory relief.

In order to comply with the requirements of Section 11, USTA reviewed all of the current ARMIS reports in an attempt to identify redundant information or data that should no longer be required. Eliminating or modifying current reports does not preclude the Commission from seeking information through specific data requests. In fact, USTA has urged the Commission to seek information from other telecommunications providers in order to assess the status of competition. USTA sought to reduce the volume and complexity of the current ARMIS reports. USTA's proposals are consistent with Congressional intent regarding Section 11 will minimize the reporting burden and will maintain the quality and use of the information included in the reports.

A. Proposed Revisions to ARMIS Financial Reports: 43-01, 43-02, 43-03 and 43-04.

USTA proposes that the Commission utilize a single annual report, ARMIS 43-00, to replace the existing financial reports. A sample of the new five page report, depicting data for

Illinois Bell, is provided in Attachment A. The new report would contain four Tables: Balance Sheet Investment, Income Statement, Footnotes and Accounts Payable to Affiliates. The format for the report is consistent with the current 43-01, the SEC Form 10K and the annual report to shareholders.

Specific changes incorporated into the new report are as follows. The new report:

1). Eliminates cash flow information which is readily available from existing external reports.

2). Eliminates demand data from Table 2 of the 43-01 since interstate minutes of use and access lines are already reported on the Tariff Review Plans.

3). Eliminates tables from the 43-02 which relate to rate of return regulation.

4). Eliminates tables from the 43-02 involving transactions with affiliates.

5). Eliminates the 43-02 plant and depreciation reserve tables.

6). Reduces Part 69 reporting categories currently contained in the 43-01 from sixteen categories down to six categories.

7). Maintains Part 64 requirements for reporting nonregulated financials, but at a reduced level of detail.

8). Maintains the interstate earnings reporting requirements under Part 65.

9). Eliminates the Joint Use Forecast and Actual Reports (495A and 495B).

10). Maintains the Class B level of detail consistent with Part 36.

USTA strongly urges the Commission to reduce the current reporting burdens by streamlining the ARMIS financial reports as described above.

B. ARMIS Network Reports: 43-05, 43-06, 43-07 and 43-08.

The Commission did not propose any changes to the ARMIS network reports, although the Common Carrier Bureau earlier this year proposed some changes to these reports.[4] While the Bureau did propose to eliminate Table III and Table IV in the 43-07, the other Bureau proposals would increase the reporting burden on incumbent LECs, directly contrary to the requirements of Section 11. The Bureau provided no cost/benefit analysis to support its increased regulation. The ARMIS network reports were developed to assist the Commission in monitoring service quality and infrastructure development when price cap regulation was first adopted. Price cap regulation has been in effect for almost a decade. Quality of service under price cap regulation has not deteriorated. It is time to review these reporting requirements to determine if they are still necessary given their original purpose and to eliminate or streamline those reports in order to reduce the regulatory burden borne by incumbent LECs. USTA proposes the following changes:

1). Eliminate Table I of the 43-05. This report no longer serves any regulatory purpose. The market for switched and special access services is highly competitive. The customers of these services, primarily interexchange carriers and large corporations, closely monitor the services provided on a real-time basis and demand immediate corrective action if a problem should arise. In such a competitive market, there is no longer any need for the Commission to collect this data. Specifications regarding installation and repair intervals are already included in publicly available information, such as tariffs and service agreements. This Table is duplicative and also provides information which can be used by other providers to provide them with a competitive advantage.

2). Eliminate Table II of the 43-05. Local service is properly within the jurisdiction of the state regulatory commissions. This Table is beyond the scope of the Commission's authority and duplicates state requirements.

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[4]Proposed Modifications to ARMIS Service Quality Reporting Requirements, AAD File No. 98-22, Proposed Modifications to ARMIS 43-07 Infrastructure Report, AAD File No. 98-23, *Public Notice* (rel. March 11, 1998).

3). Eliminate Table III of the 43-05. The Commission has found that service quality has not declined under price cap regulation. There is no longer any need to report common trunk blockage.

4). Eliminate Table IV.A of the 43-05. After this Table was initiated, incumbent LECs are now required to file separate initial and thirty day service disruption reports on major service disruptions exceeding certain thresholds. The detail required by this Table serves no regulatory purpose and is also provided in summary form on Table IV. There is no need to duplicate this information.

5). Eliminate Table V of the 43-05. The Commission should keep track of the complaints it receives and the state commissions should keep track of the complaints they receive. There is no reason to impose this burden on incumbent LECs.

6). Eliminate the 43-06. In a pro-competitive telecommunications environment, reporting customer satisfaction surveys is unnecessary. This report has outlived its purpose and should be eliminated. Customers can register their dissatisfaction with an incumbent LEC by filing a complaint or switching to another carrier. Certainly competitors would never collect and report such information.

7). Eliminate Table I of the 43-07. The public network services included in this Table, touchtone, equal access and CCS7 are ubiquitous and there is no longer any need to report this information.

8). Eliminate Table II of the 43-07. As noted above, there is no longer any need to report on the deployment of fiber. Incumbent LECs deploy fiber based on business needs and competitive market circumstances. Table I of the 43-08 provides data regarding conversion from metallic cable to fiber cable. Such data should be sufficient.

9). Eliminate Tables III and IV of the 43-07. As the Bureau suggested, these tables no longer provide relevant data and are redundant. USTA agrees with the Bureau that these Tables should be eliminated.

10). Reduce the level of detail required in Table I of the 43-08. The detail required in Table I should be reduced by eliminating columns d through o.

11). Eliminate Table II of the 43-08. This Table no longer serves any regulatory purpose and should be eliminated.

12). Eliminate Table III of the 43-08. This Table is not appropriate in a pro-competitive telecommunications environment.

13). Eliminate Table IV of the 43-08. In a pro-competitive environment, such information should not be required to be filed by only one class of provider.

There is no demonstrable benefit to continuing the current ARMIS network reports. The Commission should adopt the changes listed above and reduce the significant burden which the current reports impose.

IV. CONCLUSION.

The modifications contained in the NPRM do not go far enough to satisfy the Commission's obligations under the Telecommunications Act. They are not sufficient to represent the thorough review and analysis required under Section 11 and do not reflect the pro-competitive, de-regulatory policy which Congress intended. The Commission should eliminate the ARMIS reports or, at the very least, adopt the proposals described above.

Respectfully submitted,

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August 20, 1998

Company: Illinois Bell
Study Area: Illinois
Period: 1995
COSA: LBIL

Annual Report 43-00 (Replaces 43-01 through 43-04)

Table I - Net Investment (Dollars in Thousands)

Assets/Investment

Row	Part 32 Class B Accounts	Classification	A Total	B Nonreg	C Adjustments	D=A-B-C Subject to Separations	E Total Interstate	F Interstate Access	G Billing & Collection	H IX	I=D-E State
		Assets									
2010	1130-1160	Cash and Equivalents	263	-	-	-	-	-	-		-
2020	1180-1210	Receivables, Net	815,223	-	-	-	-	-	-		-
2030	1220	Materials and Supplies	17,786	7,892	(752)	10,646	2,836	2,835	-	1	7,810
2040	1290-1350	Prepaid and Other	30,142	-	-	-	-	-	-		-
2050	2001	Plant in Service	8,462,100	138,943	122,763	8,200,394	2,078,814	2,078,001	-	812	6,121,580
2060	2002	Property Held for Future Use	1,163	104	(48)	1,107	280	280	-	-	827
2070	2003	Plant Under Construction	60,821	717	(29,879)	89,983	22,673	22,664	-	9	67,310
2080	2006	Nonoperating Plant	8,554	-	-	-	-	-	-		-
2090	3100-3600 less 3300	Less: Accumulated Deprec- Operating	3,769,777	73,086	136,785	3,559,906	908,685	908,334	-	351	2,651,221
2100	3300	Less: Accumulated Deprec- Nonoper	2,453	-	-	-	-	-	-		-
2110	1401	Investments in Affiliated Companies	84,229	-	-	-	-	-	-		-
2120	1402	Investments in Non-affiliates	1,258	-	1,258	-	-	-	-		-
2130	1406-1408	Other Investments	28,917	-	-	-	-	-	-		-
2140	1410	Other Noncurrent Assets	265,800	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2150	1437	Other Assets and Deferred Chgs	99,947	4,177	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2160	1438	Deferred Maint. & Retirements	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2170	1439	Other Deferred Charges	62,969	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2180	Subtotal (1437 to 1439)	*Total Deferred Charges*	162,916	4,177	104,886	53,853	13,545	13,540		5	40,292
2190		Total Assets	6,166,942								
2200		Cash Working Capital	N/A	N/A	N/A	N/A	(6,315)	(6,313)	-	(2)	-
2210		FCC Investment Adjustment	N/A	N/A	N/A	N/A	38,596	38,580	-	16	-
2220		Total Investment (Part 65)	8,870,639	151,833	198,228	8,355,983	2,150,429	2,149,587	-	841	6,237,819

NUMBERS ARE FOR ILLUSTRATIVE PURPOSES ONLY

USTA ARMIS Proposal

Company: Illinois Bell
Study Area: Illinois
Period: 1995
COSA: LBIL

Annual Report 43-00 (Replaces 43-01 through 43-04)

Table I - Net Investment (Dollars in Thousands)

Liabilities/Reserves

	Part 32		A	B	C	D=A-B-C	E	F	G	H	I=D-E
Row	**Class B Accounts**	**Classification**	**Total**	**Nonreg**	**Adjustments**	**Subject to Separations**	**Total Interstate**	**Interstate Access**	**Billing & Collection**	**IX**	**State**
		Liabilities and Shareowner's Equity									
2240	4020	**Notes Payable**	544,018	-	-	-	-	-	-		-
2250	4050,4060	Other Current Maturities	1,273	-	-	-	-	-	-		-
2260	4010	Accounts Payable	444,576	-	-	-	-	-	-		-
2270	4040	Customers' Deposits	9,067	697	(4,555)	12,925	3,254	3,253	-	1	9,671
2280	4030,70,80,4130	Other Current Liabilities (Excl FIT)	104,820	-	-	-	-	-	-		-
2290	4120	Other Accrued Liabilities	290,604	5,777	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2300	4210-4270	Long-Term Debt	1,062,590	-	-	-	-	-	-		-
2310	4100,4340	Accumulated Deferred FIT - Operating	794,149	11,327	20,358	762,464	184,447	184,350	-	97	578,017
2320	4110,4350	Accumulated Deferred FIT - Nonoperating	(864)	-	-	-	-	-	-		-
2330	4320,4330	Unamortized Investment Tax Credits	88,140	-	-	-	-	-	-		-
2340	4360	Other Deferred Credits	53,381	3,053	17,728	32,600	8,235	8,232	-	3	24,364
2350	4310	Other Long-Term Liabilities	1,538,051	45,139	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2360	4340,4361	Deferred Tax Liabilities	99,947	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2370	Subtotal (4310,40,61)	Other L-T Liab & Defer Crs - Net	1,637,998	45,139	179,801	1,458,197	84,333	84,298	-	34	1,373,865
2380	4510	Capital Stock	1,638,762	-	-	-	-	-	-		-
2390	4520	Other Paid-in Capital	65,974	-	-	-	-	-	-		-
2400	4550	Retained Earnings	(465,756)	-	-	-	-	-	-		-
2410		Total Liabilities and Shareowner's Equity	6,268,733								
2420		Total Reserves (Part 65)	6,264,372	88,163	350,117	5,826,092	1,188,954	1,188,467	-	486	4,637,138
2430		Total Reserves (Joint Cost)	6,455,029	139,079	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2440		Average Net Investment (Part 65)	N/A	N/A	N/A	2,529,891	961,475	961,120	-	355	1,600,681

NUMBERS ARE FOR ILLUSTRATIVE PURPOSES ONLY

Company: Illinois Bell
Study Area: Illinois
Period: 1995
COSA: LBIL

Annual Report 43-00 (Replaces 43-01 through 43-04)

Table II - Statement of Income (Dollars in Thousands)

Row	Part 32 Class B Accounts	Classification	A Total	B Nonreg	C Adjustments	D=A-B-C Subject to Separations	E Total Interstate	F Interstate Access	G Billing & Collection	H IX	I=D-E State
		Revenues:									
1010	5000	Local Service	1,963,518	-	-	1,963,518	-	-	-	-	1,963,518
1020	5080	Network Access Services	855,788	-	(12,367)	868,155	768,411	767,532	-	879	99,744
1030	5100	Long Distance Services	246,236	-	12,859	233,377	43,249	-		43,249	190,128
1040	5200	Miscellaneous	178,870		5	178,865	27,837	1,877	25,959	1	151,028
1050	5280	Nonregulated	165,073	165,073	-	-	-	-	-	-	-
1060	5300	Uncollectibles	44,641	2,329	(1)	42,313	1,324	1,326	-	(2)	40,989
1060		Net Revenues	3,364,844	162,744	498	3,201,602	838,173	768,083	25,959	44,131	2,363,429
		Expenses:									
1110	6110-6410	Total Plant Specific	718,905	87,758	7	631,140	158,041	157,989	-	53	473,099
1120	6510-6540	Total Plant Nonspecific	289,857	21,315	-	268,542	64,909	58,069	-	6,841	203,633
1130	6560	Depreciation & Amortization	590,280	9,693	-	580,587	145,722	145,638	-	82	434,865
1140	6610-6620	Customer Operations	577,461	50,987	370	526,104	98,131	81,652	12,095	4,385	427,973
1150	6710-6790	Corporate Operations	269,326	20,606	-	248,720	57,124	53,027	2,126	1,970	192,774
1160		Total Operating Expenses	2,445,829	190,359	377	2,255,093	523,927	496,375	14,221	13,331	1,732,344
1210	7100,7990	Other Oper/Nonreg Income/Expense	145	627	(1)	(481)	(127)	(126)	-	-	(354)
1220	7210-7250	Operating Taxes	325,813	(8,428)	8,842	376,407	110,912	94,462	523	12,002	265,290
1230	7310-7370	Nonoper Income/Expense	51,875	(214)	52,641	(552)	(83)	(83)	-	-	(469)
1240	7410-7450	Nonoperating Taxes	17,544	-	17,544	-	-	-			-
1250	7510-7540	Interest Expense	120,726	1,724	8,842	110,160	39,496	39,480	-	16	70,920
1260	7600	Other	66,375	-		66,375	-	-	-	-	66,375
1270		FCC Expense Adjustment (Part 65)	-	-	-	-	668	668	-	-	-
1280		Total Expenses & Taxes (Part 65)	2,670,791	181,518		2,566,158	635,049	591,046	14,744	25,333	1,932,082
1290		Total Expenses & Taxes (Joint Cost)	2,773,973	183,242	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1300		Net Return (Part 65)	N/A	N/A	N/A	N/A	202,456	176,369	N/A	N/A	N/A
1310		Rate of Return (Part 65)	N/A	N/A	N/A	N/A	21.06%	(Note)	N/A	N/A	N/A

Note: All price cap companies should insert zero in Column F.

NUMBERS ARE FOR ILLUSTRATIVE PURPOSES ONLY

	Company: Illinois Bell			Annual Report 43-00 (Replaces 43-01 through 43-04)
	Study Area: Illinois			
	Period: 1995			Table III - Footnote Table
	COSA: LBIL			
Table	**Row**	**Col**	**FN#**	**Footnote**
I	All	I	1	State expense and investment data reflects Subject to Separations (D) minus Interstate (E). These values are not representative of those used for state ratemaking purposes.
				Factors that would cause a difference in the two include rate base adjustments and depreciation rates.
I	2150	D	2	The effects of SFAS No. 109 are included in Total Company (Col A) and not in Subject to Separations (Col F) in accordance with RAO letter 23, dated March 14, 1994.
II	1230	A	3	Lobbying expenses of $1,862,000 reflected in Total Company (Col A) only.
				NUMBERS ARE FOR ILLUSTRATIVE PURPOSES ONLY

Company: Illinois Bell
Study Area: Illinois
Period: 1995
COSA: LBIL

Annual Report 43-00 (Replaces 43-01 through 43-04)

Table IV - Accounts Payable to Affiliates (Dollars in Thousands)

Row	Classification	Name of Affiliate	A Balance at Beginning of the Year	B ACTIVITY DURING YEAR Gross Debits	C ACTIVITY DURING YEAR Gross Credits	D=A-B+C Balance at End of the Year
110	Payable to	Ameritech Services, Inc.	245,191	4,752,137	4,703,957	197,011
120	Payable to	DonTech	30,498	420,709	413,344	23,133
130	Payable to	Ameritech Information Systems, Inc.	4,510	34,806	33,009	2,713
140	Payable to	Michigan Bell Telephone Company	(10)	11,267	10,266	(1,011)
150	Payable to	The Ohio Bell Telephone Company	2,971	31,725	27,929	(825)
160	Payable to	Ameritech Mobile Communications, Inc.	55	763	1,093	385
170	Payable to	Wisconsin Bell, Inc.	185	1,130	723	(222)
180	Payable to	Ameritech Advanced Data Services, Inc.	-	103	257	154
190	Payable to	Indiana Bell Telephone Company, Inc.	1,449	15,201	13,896	144
200	Payable to	Ameritech Corporation	1,735	10,411	8,628	(48)
210	Payable to	Ameritech Publishing, Inc.	61	13,426	13,393	28
220	Payable to	Ameritech Credit Corporation	(9)	1,160	1,156	(13)
230	Payable to	Ameritech Communications, Inc.	-	372	372	-
240	Payable to	Ameritech Payroll Office (Illinois Bell)	-	292	292	-
250	Payable to	Ameritech Center Phase 1, Inc.	-	40	40	-
260	Payable to	Other	1,275	2,120	4,454	3,609
270						
280						
290						
300						
310	Total	N/A	287,911	5,295,662	5,232,809	225,058

NUMBERS ARE FOR ILLUSTRATIVE PURPOSES ONLY

USTA Recommendations on Current ARMIS 43-02 Tables

Table	Description	Comments
C-1	Identity of Respondent *	Discontinue. Information available on SEC 10-K, Annual Report, and/or FCC Cost Allocation Manual (CAM).
C-2	Control Over Respondent *	Discontinue. Information available on SEC 10-K and/or Annual Report.
C-3	Board of Directors/Officers *	"
C-4	Stockholders *	
C-5	Important Changes During the Year	Discontinue. Primarily used to report price changes during the year - competitive information not relevant under pure price caps (no sharing). Rate information is also included in some state tariff filings. Rate change effects are not required to be filed by competitors. Changes in accounting are noted elsewhere; both SEC 10-K and footnotes to Report 43-00 (Table III).
B-1	Balance Sheet Accounts	Report 43-00 provides sufficient balance sheet detail. Also may be available on SEC 10-K (although on an external Financial Report (FR) basis).
B-2	Statement of Cash Flows *	Discontinue. Information available on SEC 10-K and/or annual report to shareholders (FR basis).
B-3	Investments in Affiliates	Discontinue. Information available to the FCC through their audit oversight.
B-4	Analysis of Assets Purchased or Sold to Affiliates	Discontinue. Information available to the FCC through their audit oversight.
B-5	Analysis of Accumulated Depreciation	Discontinue. FCC should forbear from prescribing depreciation rates making table obsolete.
B-6	Summary of Investment and Accumulated Depreciation by Jurisdiction	Discontinue. FCC should forbear from prescribing depreciation rates making table obsolete.
B-7	Basis of Charges for Depreciation	Discontinue. FCC should forbear from prescribing depreciation rates making table obsolete.
B-8	Capital Leases	Discontinue. Not relevant under price caps and competition.
B-9	Deferred Charges	Report 43-00, Footnotes (reduced detail, beginning and ending balances).
B-10	Accounts Payable to Affiliates	Retain current format; incorporate as Table IV of Report 43-00.
B-11	Long-Term Debt *	Discontinue. Information available on external reports (FR). annual report to shareholders.
B-12	Net Deferred Income Taxes	Report 43-00, Footnotes (reduced detail, beginning and ending balances).
B-13	Other Deferred Credits	Report 43-00, Footnotes (reduced detail, beginning and ending balances).
B-14	Capital Stock *	Discontinue. Information available on external reports (FR).
B-15	Stock and Reacquired Debt *	Discontinue. Information available on external reports (FR).
I-1	Income Statement Accounts	Report 43-00. Also available on SEC 10-K (FR basis)
I-2	Analysis of Services Purchased From or Sold to Affiliates	Discontinue. Information available to the FCC through their audit oversight.
I-3	Pension Cost	Discontinue. Not relevant under price caps and competition. Some pension information available on SEC 10-K.
I-4	Operating Other Taxes	Discontinue. Not relevant under price caps and competition.
I-5	Prepaid Taxes and Tax Accruals	Discontinue. Not relevant under price caps and competition.
I-6	Special Charges	Discontinue. Not relevant under price caps and competition. Lobby expense shown on Report 43-00 Footnotes.
I-7	Donations or Payments for Services Rendered by Persons Other Than Employees	Discontinue. Not relevant under price caps and competition.

* For companies not required to file external reports (10-K, annual report to shareholders) by state jurisdiction, this information may be rolled up to the legal entity basis.

USTA Recommendations on Current ARMIS 43-05, 43-06, 43-07, 43-08 Tables

Table	Description	Comments
43-05:	**Service Quality Report**	
I	Installation and Repair Intervals (Interexchange Access)	Discontinue. IXCs and large customers are sophisticated purchasers in a highly competitive market. Many require detailed service reports from suppliers.
II	Installation and Repair Intervals (Local Service)	Discontinue. State regulators have established reporting mechanisms.
II	Common Trunk Blockage	Discontinue. Serves no regulatory purpose.
IV	Total Switch Downtime	
IV.A	Occurrences of Two Minutes or More Duration Downtime	Discontinue. Unnecessary detail. Summary data will continue to be reported on Table IV.
V	Service Quality Complaints	Discontinue. The FCC already has data on complaints to the Commission. State complaints are not part of FCC role.
43-06	**Customer Satisfaction Report**	
I	Summary Customer Satisfaction Survey	Discontinue. The surveys on which these reports are based are not uniform in the industry and are designed by each carrier to meet specific internal needs. Surveys may use different measurement scales, sample different customer segments, are structured to meet the needs of the business unit being measured. Data cannot be compared among individual carriers.
43-07	**Infrastructure Report**	
I	Switching Equipment	Discontinue. All the Public Network services reported are essentially fully deployed.
II	Transmission Facilities	Discontinue. Unnecessary detail. Data reported on 43-08, Table I illustrates deployment of fiber.
III	ILEC Call Set-Up Time	Discontinue. CCS7 interconnection is implemented.
IV	Additions and Book Costs	Discontinue. Redundant data.
43-08	**Operating Data Report**	
I.A	Outside Plant Statistics- Cable and Wire Facilities	Streamline this Table. Eliminate detail on cable and fiber by accounting category (Columns d-o).
I.B	Outside Plant Statistics- Other	
II	Switched Access Lines in Service by Technology	Discontinue. This Table serves no regulatory purpose.
III	Access Lines in Service by Customer	Discontinue. This Table is largely a duplication of Table II, which serves no regulatory purpose.
IV	Telephone Calls	Discontinue. In a competitive market, data should not be required of just one class of provider.