

**ORIGINAL**

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**Anthony M. Alessi**  
Director  
Federal Relations

EX PARTE OR LATE FILED

September 14, 1998

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

**RECEIVED**

SEP 14 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Ex-parte Filing  
CC Docket 96-262

Dear Ms. Salas:

On Friday, September 11, 1998, Mr. Karl Wardin, Ms. Judith Moen, and I met with Ms. Jane Jackson, Chief, Competitive Pricing Division, Ms. Tamara Preiss, Mr. Aaron Goldschmidt, Mr. Jay Atkinson and Mr. Chris Barnekov of the FCC to discuss access reform and pricing flexibility in the above referenced docket. The attached material was used as part of our discussion.

Sincerely,

Attachment

cc: J. Jackson  
T. Preiss  
A. Goldschmidt  
J. Atkinson  
C. Barnekov

File of Copies rec'd  
10/13/98

022

TREATMENT  
OF COMPETITIVE SERVICES  
IN ILLINOIS

AMERITECH

EX PARTE PRESENTATION

SEPTEMBER 11, 1998

TREATMENT OF COMPETITIVE SERVICES IN ILLINOIS  
BASIS FOR COMPETITIVE DECLARATION

ILLINOIS PUBLIC UTILITIES ACT, SECTION 13-502 (b)

A service shall be classified as competitive only if, and only to the extent that, for some identifiable class or group of customers in an exchange, group of exchanges, or some other clearly defined geographical area, such service, or its functional equivalent, or a substitute service is reasonably available from more than one provider, whether or not any such provider is a telecommunications carrier subject to regulation under this Act.

... The Commission shall have the power to investigate the propriety of any classification of a telecommunications service on its own motion and shall investigate upon complaint....

After notice and hearing, the Commission shall order the proper classification of any service in whole or in part. The Commission shall make its determination and issue its final order no later than 180 days from the date such hearing or investigation is initiated.

[emphasis added]

Effective January 1, 1986

## TREATMENT OF COMPETITIVE SERVICES IN ILLINOIS

### PROCESS TO DECLARE A SERVICE COMPETITIVE

- Company self-declares service competitive, effective on 1 day's notice
- Commission has power to investigate the declaration on its own motion at any time after it is made (but may decide affirmatively not to investigate), and shall investigate upon formal complaint
- Investigation consists of formal docket, with hearings and written testimony, discovery and cross-examination of witnesses
- Investigation, once started, must be completed in 180 days

### PRICING FLEXIBILITY ALLOWED

- Flexibility is available immediately at competitive declaration
- Once service is competitive, ICBs are allowed; contracts are reviewed by Commission
- Price decreases/increases or rate restructures are effective on 1 day's notice; customer notice is required prior to any increase
- Service is removed from price caps at next annual price cap filing

### COST SHOWINGS REQUIRED

- Rates must cover Long Run Service Incremental Cost (LRSIC)
- Joint costs are allocated to individual competitive and non-competitive services based on LRSIC
- Residual costs are allocated to competitive and non-competitive service categories in aggregate based on total assigned cost (see above)
- Revenues from competitive services in the aggregate must cover costs of competitive services in the aggregate (Aggregate Revenue Test)
- Imputation is required in Aggregate Revenue Test (see above) for noncompetitive services or service elements provided to other carriers for provision of competitive services; imputation is also required for switched interexchange services or interexchange private line services

## TREATMENT OF COMPETITIVE SERVICES IN ILLINOIS

### COMPETITIVE TARIFF FILING PACKAGE CONSISTS OF:

- Cover letter identifying:
  - service(s) declared competitive
  - geographical area or customer group to which it applies
  - effective date of tariff
  
- Proprietary summary explanation of details of the filing, including cost and demand information
  
- Affidavit signed by Company official identifying competitive alternative(s) or competitive provider(s)
  
- Proprietary detailed cost support information, including demonstrating that revenues cover LRSIC and Aggregate Revenue Test, including imputation, is met. This information may be provided by reference to past cost support on file with Commission.
  
- Tariff pages for competitive service(s) [placed in a separately identified competitive section of the tariff]

## TREATMENT OF COMPETITIVE SERVICES IN ILLINOIS

Approximately 56% of all regulated revenues in Illinois have been declared competitive

### Competitive in total

The following services are classified competitive in total, for all of Ameritech Illinois service territory:

Base rate, DS-1 ... OC-12	Directory Assistance
Analog private line	Centrex
800 service	Service Transport Facilities
WATS	IntraMSA Toll
Billing and collection	ISDN Prime

### Competitive in part

The following groups of services are classified as competitive in part, based on the customer class, geographical area or specific service:

Network access lines *	ISDN Direct **
IntraMSA calling *	Directory listing services #
Central Office features *	Operator services##

#### Notes:

- \* competitive for all business, and some residence by geographical area or by service (e.g., speed calling)
- \*\* competitive for some business, based on geographical area; non-competitive for residence
- # competitive for business; non-competitive for residence
- ## competitive based on type of operator service provided

### Non-competitive

The following services presently are classified as non-competitive in Ameritech Illinois service territory:

UNEs	Intrastate switched access
Resale services	Intrastate special access
Customer Name and Address service	

## TREATMENT OF COMPETITIVE SERVICES IN ILLINOIS

### RELATIONSHIP TO ALTERNATIVE REGULATION [PRICE CAPS]

- Competitive declaration process in place almost 9 years before price cap plan was put in place (1986 vs. 1994)
- Price cap plan applies only to non-competitive services
- Revenues for competitive services removed from price cap basket at time of annual price cap filing
- Price cap formula and resultant revenue reductions (if required) calculated each year based on revenues for non-competitive services remaining under price caps as of price cap filing date

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

SAMPLE COMMISSION  
ACTION ON COMPETITIVE  
FILING

March 17, 1995

David H. Gebhardt  
Vice President Regulatory  
Affairs  
Illinois Bell Telephone Company  
555 East Cook Street, Floor 1E  
Springfield, IL 62721

NOTICE OF COMMISSION ACTION

Dear Sir/Madam:

Notice is hereby given that the Commission, in conference on March 15, 1995 determined that the following item(s) be NOT INVESTIGATED:

ILLINOIS BELL TELEPHONE COMPANY

Ill. C. C. No. 5, Part 15, Section 7  
6th Revised Page 1

Part 15, Section 24  
Original Pages 1 - 19

Filed: January 23, 1995  
Effective: January 24, 1995

Sincerely,

A handwritten signature in cursive script that reads "Donna M. Caton".

Donna M. Caton  
Chief Clerk

clh

SAMPLE COMPETITIVE  
TARIFF FILING

March 20, 1998

Advice No. 5817

To: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62794-9280

The accompanying tariff pages, listed on the attachment, issued by Ameritech Illinois, are transmitted to you for filing.

This filing proposes to expand the competitive classification of Telecommunications Channel Service and Foreign District Service from customer/site specific to include all customers in all access areas; expand the competitive classification Ameritech Base Rate, DS1, DS3, OC-n, and ISDN PRI services to all customers in all Access Areas from being competitive in Access Area A only. It also proposes to classify BTAS, DDS, and Ameritech 128, 256, and 384 Services as competitive for all customers in all access areas.

This service is classified as a competitive telecommunications service pursuant to Section 13-502(b) of the Public Utilities Act. The verified statement referred to by Section 745.200 of 83 Illinois Administrative Code 745, is attached hereto. Cost studies are not included as existing rates are being used; however, the Aggregate Revenue Test (existing rate elements) is included.

We respectfully request your Commission to accept these pages to become effective March 21, 1998.

Any questions and correspondence regarding this filing should be directed to Jaime Villasenor, Director, Regulatory Affairs, who may be reached at:

Ameritech Illinois  
225 West Randolph Street, 29C  
Chicago, Illinois 60606  
Tel. No.: 312-551-9159  
FAX No.: 312-727-4771

Please acknowledge receipt by returning the extra copy of this letter.

Sincerely,

Terry R. Henkel  
Director, Regulatory Affairs

Attachments

**SUBJECT: Competitive Classification of Ameritech Analog and Digital Services,  
Foreign District, and ISDN PRI Service In All Access Areas**

**ISSUED: March 20, 1998**

**EFFECTIVE: March 21, 1998**

### **BACKGROUND**

The services being proposed as competitive are considered Private Line (PL) Services used primarily by business customers. PL services are dedicated channels between customer locations for voice and data transmission. PL services are unmeasured, untimed, and available 24 hours a day, making them an economic alternative to using the public switched network (PSN). PL services provide a private, secure, high quality, readily available means of communications while avoiding perceived drawbacks inherent in the PSN, such as call blocking and busy signals.

Ameritech Base Rate, DS1, DS3, OC-n Services, and ISDN PRI are presently offered in both the noncompetitive and competitive tariffs. These services are classified as competitive for all customers within Access Area A. In Access Areas B and C, these services are classified as competitive on a customer/site specific basis.

Ameritech 128, 256, and 384 Service is presently offered only in the noncompetitive tariff.

Telecommunications Channel Services (Series 1000, 2000, 3000, 6000) are offered in both the noncompetitive and competitive tariffs. These channels are offered as competitive on a customer/site specific basis in all Access Areas.

Foreign District Service is offered in both the noncompetitive and competitive tariffs. It is classified as competitive in all Access Areas on a customer/site specific basis.

Direct Digital Service (DDS) and Bridged Telemetry and Alarm Service (BTAS) are presently offered only in the noncompetitive tariff.

### **DETAILS OF THIS FILING**

This filing proposes to expand the competitive classification of Telecommunications Channel Service and Foreign District Service from customer/site specific to include all customers in all access areas; expand the competitive classification Ameritech Base Rate, DS1, DS3, OC-n, and ISDN PRI services to all customers in all Access Areas from being competitive in Access Area A only. It also proposes to classify BTAS, DDS, and Ameritech 128, 256, and 384 Services as competitive for all customers in all access areas.

- Telecommunications Channel Services (1001A, 1006, 2001, 2001A-E, 2002, 2301, 3002, 3010, and 6000). Channel Services consist of analog voice and voice-grade data services. The various channel types can be used as PBX to PBX tie lines, CTX to CTX tie lines, PL Ringdown circuits, off-premises PBX or CTX stations, and voice-grade data applications such as the Lottery network.
- BTAS (type 2335 and 2336 channels). This service, also a Channel Service, provides multipoint, voice grade, tone type data transmission channels, typically used by alarm companies.

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Solely for use by Ameritech employees who have a need to know.  
Not to be disclosed to or used by any other person without prior authorization

PROPRIETARY INFORMATION HAS BEEN DELETED

## BACKGROUND

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### DETAILS OF THIS FILING (cont'd)

- DDS (speeds at 2.4 through 56 Kbps). DDS consists of hubbed digital data channels.
- Foreign District Service (FD). FD is telephone exchange service furnished from a district other than the one in which the customer is located. FD may be transported individually, one channel at a time, or as a channel transported via Ameritech DS1 or higher speed service. FD is generally chosen as an economic alternative to avoid distance-sensitive usage on the PSN.
- Ameritech Base Rate Service (speeds at 2.4 through 54 Kbps). Base Rate consists of digital data channels, configured as point-to-point or multipoint channels.
- Ameritech 128, 256, and 384 Service, aka Fractional T1, (at speeds of 128, 256, and 384 Kbps). FT1 consists of high speed, point-to-point digital data channels.
- Ameritech DS1 Service (1.544 Mbps). DS1 provides higher speed, point-to-point transport over one channel operating at 1.544 Mbps or multiple voice grade and/or digital channels (up to 24 channels per DS1).
- Ameritech DS3 Service (44.736 Mbps). DS3 service provides still higher speed, fiber-based transport at 45 Mbps or multiple DS1 channels (up to 28 DS1 channels or 672 voice grade and/or digital data channel equivalents).
- Ameritech OC-3, OC-12, and OC-48 Services (155.52, 622.08, and 2488.32 Mbps).
- OC-n services, aka SONET, provide even higher speed, fiber-based transport, in point-to-point and dedicated ring configurations. OC-n provides between 3 and 48 DS3s.
- Ameritech Integrated Services Digital Network Prime (ISDN PRI). ISDN PRI provides 23B channels plus 1D channel transported via an Ameritech DS1 or higher speed transport service.

The tariff pages which contain the rates and regulations applicable to Telecommunications Channel Services, Ameritech Base Rate, DS1, DS3, and OC-n Services are also being reformatted as part of this filing in order to comply with the Ameritech standard tariff template.

Telecommunications Channel Services for Access Areas A, B, and C, presently in tariff III, C.C. No. 20, Part 15, Section 2, will be moved to tariff III, C.C. No. 19, Part 15, Section 2.

DDS and BTAS, presently in tariff III, C.C. No. 20, Part 15, Section 5, will be moved to tariff III, C.C. No. 19, Part 15, Section 5.

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## BACKGROUND

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### DETAILS OF THIS FILING (cont'd)

Ameritech Base Rate, DS1, DS3, and OC-n Services for Access Areas B and C, presently in tariff III, C.C. No. 20, Part 15, Section 3, will be added to tariff III, C.C. No. 19, Part 15, Section 3.

Ameritech 128, 256, and 384 Service, presently in tariff III, C.C. No. 20, Part 15, Section 3, will be moved to tariff III, C.C. No. 19, Part 25, Section 3.

Ameritech ISDN PRI for Access Areas B and C, presently in tariff III, C.C. No. 20, Part 17, Section 2, will be added to tariff III, C.C. No. 19, Part 17, Section 2.

Foreign District Service for Access Areas B and C, presently in tariff III, C.C. No. 20, Part 4, Section 3, will be added to tariff III, C.C. No. 19, Part 4, Section 3.

Those tariff pages presently in tariff III, C.C. No. 19, Part 15, Section 5, which offer services competitively, listing customer/site specific competitive situations, will be deleted, becoming historical pages.

Where identical rate elements appear in both the No. 19 and No. 20 tariffs, but at different rates, the lower of the rates will be applied, i.e., FD, Base Rate Bridging and DS1 CMT and CM rates currently in effect in the No. 19 are higher than those currently in the No. 20 tariff - the lower No. 20 rates will prevail.

With the above exception, this filing does not change any rates. Nor have any changes been made that adversely affect customers.

The Optimization Plan (TOP) currently in the No. 20 tariff expired in 1994. TOP will not be moved to tariff III, C.C. No. 19.

The Discount Commitment Plan (DCP), which appears in tariff III, C.C. No. 20 only, will not be moved to tariff III, C.C. No. 19.

Prepayment of Monthly Charges, aka Single Payment Option, currently in effect in tariff III, C.C. No. 20 allows for a refund in the event a customer discontinues an OPP prior to its expiration. Tariff III, C.C. No. 19 does not. The language contained in tariff III, C.C. No. 20 will be moved to tariff III, C.C. No. 19.

The Optional Payment Plan (OPP) Renewal Program, currently available only in tariff III, C.C. No. 20, will be moved to tariff III, C.C. No. 19.

Moves, under tariff III, C.C. No. 20 OPP regulations, allows a customer to move one LDC of a circuit to another location within the same MSA and keep the OPP in force. Moves will be moved to tariff III, C.C. No. 19.

Some tariff terms are being changed to comply with the Ameritech standard tariff template: Optional Payment Plan (OPP) is being replaced with Term Payment Plan (TPP); OPP Monthly Contract Charge is replaced with Monthly Payment; Ameritech Reconfiguration Service (ARS) is being replaced with Ameritech Network Reconfiguration Service (ANRS); Company office is replaced with wire center.

Numerous definitions have also been added to better explain terms used in the new standard tariff template.

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## BACKGROUND

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### DETAILS OF THIS FILING (cont'd)

Services functionally equivalent to Telecommunications Channel Services, DDS, BTAS, Ameritech Base Rate through OC-n Services, and ISDN PRI are reasonably available and are being marketed to customers by a number of competitive alternative providers throughout the state. Specific competitive alternative providers include, but are not limited to, MFS, MCI WorldCom, Teleport Communications Group, AT&T, ADEMCO, Advanced Radio Technologies, Winstar Communications, and Consolidated Communications Telecom Services.

### DEMAND EFFECTS

### REVENUE EFFECTS

### COST SUPPORT

### IMPUTATION

### POLICY IMPLICATIONS

This filing is consistent with current Commission policies.

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VERIFIED STATEMENT

Terry R. Henkel, being duly sworn, states as follows:

1. That he is Director of Regulatory Affairs of Ameritech Illinois;
2. That the proposed tariffs expand the competitive classification of Telecommunications Channel Service, Ameritech Base Rate, DS1, DS3, OC-n, and Ameritech ISDN PRI to all customers in Access Areas A, B, and C (tariff Ill. C.C. No. 19, Part 15, Section 2, and Section 3, Part 4, Section 3, and Part 17, Section 2). The proposed tariffs also propose to classify as competitive Bridged Telemetry and Alarm Service (BTAS), Direct Digital Service (DDS), and Ameritech 128, 256, and 384 Service for all customers in all access areas (tariff Ill. C.C. No. 19, Part 15, Section 5 and Section 3). The above tariff pages are being filed pursuant to Section 13-502(b) of the Illinois Public Utilities Act;
3. That Telecommunications Channel Service, Ameritech Base Rate, 128, 256, 384, DS1, DS3, OC-n, BTAS, DDS, Foreign District, and ISDN PRI Services are competitive telecommunications services within the meaning of Section 13-502 of the Illinois Public Utilities Act;
4. That these services consist of voice grade and voice grade data channels, digital data channels at transmission speeds of 2.4, 4.8, 9.6, 19.2, 56, 64, 128, 256, and 384 Kbps, 1.544, 44.736, 155.52, 622.08, and 2488.32 Mbps, access to a variety of switched services (ISDN PRI), and telephone exchange service transported via DS1 or a single voice grade channel from a foreign district;
5. That MFS, MCI, Teleport Communications Group, AT&T, Winstar Communications, and Consolidated Communications Telecom Services offer to provide services similar to Telecommunications Channel Service, Ameritech Base Rate, 128, 256, 384, DS1, DS3, OC-n, BTAS, DDS, Foreign District, and ISDN PRI Services to customers in Access Areas A, B, and C;
6. That Ameritech Illinois has proposed to satisfy the telecommunications requirements of all customers in Access Areas A, B, and C through the services described in 3 above;
7. That the services Ameritech Illinois proposes to provide all customers in Access Areas A, B, and C (Telecommunications Channel Service, Ameritech Base Rate, 128, 256, 384, DS1, DS3, OC-n, BTAS, DDS, Foreign District, and ISDN PRI Services) would be functionally equivalent to services provided by MFS, MCI, Teleport Communications Group, AT&T, ADEMCO, Advanced Radio Technologies, Winstar Communications, and Consolidated Communications.

This concludes my verified statement.

\_\_\_\_\_  
Terry R. Henkel

Subscribed and Sworn to  
before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 1997

\_\_\_\_\_  
NOTARY PUBLIC

Attachments

Private Line Competitive Filing

Cost Support \*

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*PROPRIETARY INFORMATION HAS BEEN DELETED*

*SAMPLE PAGES ATTACHED.*

*\* NOT ALL PAGES HAVE BEEN INCLUDED.*

ATTACHMENT TO ADVICE NO. 5817 (cont'd)

Ameritech Tariff, Ill. C.C. No. 20 (cont'd)

Part 17 - Section 2

2nd Revised	Sheet No. 1
2nd Revised	Sheet No. 2
2nd Revised	Sheet No. 3
2nd Revised	Sheet No. 4
3rd Revised	Sheet No. 5
3rd Revised	Sheet No. 6
2nd Revised	Sheet No. 7
1st Revised	Sheet No. 8
1st Revised	Sheet No. 9
1st Revised	Sheet No. 10
2nd Revised	Sheet No. 11
1st Revised	Sheet No. 12
1st Revised	Sheet No. 13
2nd Revised	Sheet No. 14
1st Revised	Sheet No. 14.1
2nd Revised	Sheet No. 15

NOT INCLUDED IN HANDOUT



**A. APPLICATION OF TARIFF**

This section contains general regulations applicable to Dedicated Communications Service (Private Line Service) furnished by the Company (herein after referred to as "the Company") for intraMSA communications between specified customer (the word "customer" as used in this tariff refers to the customer or authorized user of the service) locations and are in addition to other regulations, Nonrecurring Charges and Prices specified elsewhere in this tariff and tariff Ill. C.C. No. 20, Part 2, Section 2. When reference is made in this tariff to regulations, prices specified in other tariffs of the Company, such tariffs as they now exist, or as they may be revised, added to or supplemented, are hereby adopted and made a part of this tariff.

1. Private line services are provided between specified customer locations twenty-four hours daily, seven days per week, with a minimum service period of one month (from date of installation) except as otherwise specifically stated. For tariff purposes, every month is considered to have thirty days.
2. Wherever facilities are provided jointly by the Company and one or more other telephone companies, the regulations, prices of such other telephone companies apply for the equipment and facilities furnished by them for use in connection with the interexchange service provided by the Company.
3. Connections involving private line service may not be made except as authorized in the Connections Section of this tariff and as described in Part 68 of the Federal Communications Commission's Rules and Regulations.

/1/ Material formerly appeared in Ill. C.C. No. 19, Part 15, Section 3, and Ill. C.C. No. 20, Part 15.

Issued: March 20, 1998

Effective: March 21, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs  
125 West Randolph Street  
Chicago, Illinois 60606