

one year from date of issue.

§ 32.7599 Content of accounts.

This account is intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

§ 32.7600 Extraordinary items.

This account shall be for expenses of the type and character listed below.

(a) This account shall be credited with nontypical, noncustomary and infrequently recurring gains or losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7600 Extraordinary Items.

(b) This account shall be charged or credited and Account 4070, Income Taxes-Accrued, shall be credited or charged for all current income tax effects (Federal, state and local).

(c) This account shall be charged or credited, as appropriate, with a contra amount recorded to Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes or Account 4110, Net Current Deferred Nonoperating Income Taxes for the income tax effects (Federal, state and local).

§ 32.7899 Content of accounts.

Nonregulated income amounts shall be included in Accounts 7990.

§ 32.7990 Nonregulated net income.

(a) This account shall be used by those companies who offer nonregulated activities that do not involve the joint or common use of assets or resources used in the provision of both regulated and nonregulated products and services, and which have not established a separate subsidiary for that purpose.

(b) All revenue and expenses (including taxes) incurred in these nonregulated activities shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with a contra debit or credit to account 1406.

Subpart G - Glossary

§ 32.9000 Glossary of terms.

When used in this system of accounts:

"Accelerated depreciation" means a depreciation method or period of time, including the treatment given cost of removal and gross salvage, used in calculating depreciation deductions on income tax returns which is different from the depreciation method or period of time prescribed by this Commission for use in calculating depreciation expense recorded in a company's books of account.

"Account" means a specific element of a chart of accounts used to record, classify and accumulate similar financial transactions resulting from the operations of the entity. "Accounts" or "these accounts" refer to the accounts of this system of accounts.

"Accounting System" means the total set of interrelated principles, rules, requirements, definitions, accounts, records, procedures and mechanisms necessary to operate and evaluate the entity from a financial perspective. An accounting system generally consists of a chart of accounts, various parallel subsystems and subsidiary records. An accounting system is utilized to provide the necessary financial information to the financial community.

"Affiliated companies" means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company. See also Control

"Amortization" means the systematic recoveries, through ratable charges to expense, of the cost of assets.

"Associated equipment" means that equipment which functions with a specific type of plant or with two (2) or more types of plant. Associated equipment shall be classified to the account appropriate for the type of equipment with which it is predominately used rather than on its own characteristics.

"Basic service area" means the minimum specified calling area for which a tariff is prescribed.

"Book cost" means the amount at which property is recorded in these accounts, without deduction of related allowances.

"Common carrier" or "carrier" means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

"Company" or "the company" when not otherwise indicated in the context, means the accounting entity. It includes such unincorporated entities which may be subject to the Communications Act of 1934, as amended.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stock-holders, voting trusts, holding trusts, affiliated companies, contract, or any other direct or indirect means.

"Cost", except as applied to telecommunications plants, franchises, and patent rights, means the amount of money actually paid (or the current money value of any consideration other than money exchanged) for property or services. See also Original Cost.

"Cost of removal" means the cost of demolishing, dismantling, removing, tearing down, of otherwise disposing of telecommunications plant and recovering the salvage, including the cost of transportation and handling incident thereto.

"Depreciation" means the loss not restored by current maintenance, in connection with the consumption of telecommunications plant in the course of service from wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in technology, changes in demand and requirements of public authorities.

"Entity" means a legal enterprise (common carrier) engaged in interstate communications within the meaning of the Communications Act of 1934, as amended.

"Group plan," as applied to depreciation accounting, means the plan under which depreciation charges are accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon the retirement of any depreciable property its cost is charged to the depreciation reserve whether or not the particular item has attained the average service life.

"Indexed revenue threshold for a given year" means \$100 million, adjusted for inflation, as measured by the Department of Commerce Gross Domestic Product Chain-type Price Index (GDP-CPI), for the period from October 19, 1992 to the given year. The indexed revenue threshold for a given year shall be determined by multiplying \$100 million by the ratio of the annual value of the GDP-CPI for the given year to the estimated seasonally adjusted GDP-CPI on October 19, 1992. The indexed revenue threshold shall be rounded to the nearest \$1 million. The seasonally adjusted GDP-CPI on October 19, 1992 is determined to be 100.69.

"Intangible property" means assets that have no physical existence but instead have value because of the rights which ownership confers.

"Minor items," as applied to depreciable telecommunications plant, means any part or element of such plant, which when removed, (with or without replacement) does not initiate retirement accounting.

"Original cost" or "cost," as applied to telecommunications plant, rights of way and other intangible property, means the actual money cost of (or the current money value of any consideration or other than money exchanged for) property at the time when it was first dedicated to use by a regulated telecommunications entity.

"Plant retired" means plant, which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from service.

"Salvage value" means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to Account 1220, Material and Supplies, or other appropriate account.

"Straight-line method," as applied to depreciation accounting, means the plan under which the cost of property is charged to operating expenses and credited to accumulated depreciation through equal annual charges as nearly as may be during its service life.

"Subsidiary record" means detailed information which is maintained in support of entries to the accounts.

"Subsystems, parallel mechanisms" means processes or procedures, which augment the use of a chart of accounts in the financial operation of the entity. These subsystems operate on and/or process account and subsidiary record information for specific purposes.

"Telecommunications" means any transmission, emission, or reception of signs, signals, writing, images or sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems. This encompasses the aggregate of several modes of conveying information, signals or messages over a distance. Included in the telecommunications industry is the transmitting, receiving, or exchanging of information among multiple locations. The minimum elements required for the telecommunications process to occur are a message source, a transmission medium and a receiver.

"Time of installation" means the date at which telecommunications plant is placed in service.

"Time of retirement" means the date at which telecommunications plant is retired from service.

"Tangible property" means assets characterized by physical existence, such as land, buildings, equipment, furniture, fixtures and tools.

PART 36

**USTA
BIENNIAL REVIEW PETITION
SEPTEMBER 30, 1998**

Rule No.	Action	Justification
36.3	<p>For Price Cap Companies, freeze categories and factors as of 12/31/97</p> <p>For Rate of Return Companies, freeze factors based on three-year average and maintain categories</p>	<p>Provide competitively neutral, administratively simple separations process. Avoids cost shifts and introduces stability into the process.</p>

APPENDIX B

DRAFT RULES

§ 36.3 Freezing of jurisdictional separations allocation factors and/or account categorization levels.

(a) Effective January 1, 1998, local exchange carriers subject to price cap regulation shall freeze their study area-specific separations allocation factors at the annual levels for the period ending December 31, 1997 using the procedures in effect at that time with the exception of the following:

(1) Effective January 1, 1998, twenty-five percent of the cost assigned to Exchange Cable and Wire Facilities - Subcategory 1.3 shall be allocated to the interstate jurisdiction and seventy-five percent shall be allocated to the state jurisdiction.

(2) Effective January 1, 1998, local exchange carriers that bill or collect for interstate services from end users on behalf of interexchange carriers shall allocate one third of the expenses assigned to Account 6620 - Category 2, Other Billing and Collection, to the interstate jurisdiction and two thirds of the expenses assigned this classification to the state jurisdiction.

(3) Effective January 1, 1998, local exchange carriers that do not bill or collect from end users on behalf of interexchange carriers shall allocate five percent of the expenses assigned to Account 6620 - Category 2, Other Billing and Collection, to the interstate jurisdiction and ninety-five percent of the expenses assigned this classification to the state jurisdiction.

(b) Effective January 1, 1998, all other local exchange carriers shall freeze their study area-specific separations allocation factors based on a three year average of each individual separations allocation factor for years 1994 through 1996, using the procedures in effect at that time with the exception of the items identified in 36.3(a) or (b) above.

(c) Effective January 1, 1998, local exchange carriers subject to price cap regulation shall freeze the separations categorization relationships of all account balances at the annual data for the period ending December 31, 1997, using the procedures in effect at that time.

(d) Any newly established local exchange carrier study area desiring cost company status will categorize telecommunications plant in service and develop separations allocation factors in accordance with the rules outlined in this manual. The separations allocation factors and/or account categorization relationships will be frozen subject to the requirements of §36.3(a) or (b).

(e) Any local exchange carrier study area that is party to a merger, acquisition, or similar transaction will categorize telecommunications plant in service and develop separations allocation

factors in accordance with the rules outlined in this manual. The separations allocation factors and/or account categorization levels will be frozen subject to the requirements of §36.3(a) or (b).

(f) Any local exchange carrier converting from average schedule to cost status will categorize telecommunications plant in service and develop separations allocation factors in accordance with the rules outlined in this manual. The separations allocation factors and/or account categorization levels will be frozen subject to the requirements of §36.3(a) or (b)

Overview of Affected Rules

USTA Appendix A

Account #	Part 36 Rule #	Account Title	Separations Category (Includes sub Categories)	Jurisdictional Allocation Basis Price Cap Companies	Jurisdictional Allocation Basis Rate of Return Companies
INVESTMENT					
2110	111-112	General Support Facilities	No Categories	Class A: Big 3 Expenses ¹ Maintain existing rules	Class B: Big 3 Investment ² Maintain existing rules
2210	121-126	Central Office Switching Equipment	Tandem Switching Category 2 Local Switching Category 3	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization Freeze Jurisdictional Allocators with average allocator used in 1994-96
2220	121-126	Operator Systems Equipment	Operator Systems Category 1	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization Freeze Jurisdictional Allocators with average allocator used in 1994-96
2230	121-126	Central Office Transmission Equipment	Exchange Circuit Equipment Category 4.1 Interexchange Circuit Equipment Category 4.2 Host Remote Message Circuit Category 4.3	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization <ul style="list-style-type: none"> • MTS • Private Line • Terminations • Circuits Freeze Jurisdictional Allocators with average allocator used in 1994-96
2310	141-142	Information Origination Termination Equipment	Other IOT - Category 1 Customer Premises Equipment Category 2	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categories Freeze Jurisdictional Allocators with average allocator used in 1994-96
2410	151-157	Cable and Wire Facilities	Exchange Line CW&F (excluding Wideband) Category 1 Wideband and Exchange Trunk CW&F Category 2 Interexchange C&WF Category 3 Host Remote Message CW&F Category 4	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization <ul style="list-style-type: none"> • MTS • Private Line • Loops • Circuits • Circuit Mileage Freeze Jurisdictional Allocators with average allocator used in 1994-96
2680	161	Tangible Assets	Categories based on AC 2681 & 2682	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization Maintain existing rules
2690	162	Intangible Asset	One Category	Maintain existing rules	Maintain existing rules

¹ Big 3 Expense Factor is comprised of Accounts 6210, 6220, 6230, 6310, 6410, 6530, 6610, 6620, and its ratio of the interstate portion of these accounts to the total regulated amount of these accounts.

² Big 3 Investment is Comprised of Central Office Equipment (A/C 2210, 2220, & 2230), information origination/termination equipment (A/C 2310) and cable and wire facilities (A/C 2410)

Overview of Affected Rules

USTA Appendix A

2002	171	Property Held for Future Use	One Category	Maintain existing rules	Maintain existing rules
2003	171	Telecommunications Plant Under Construction (TFCU)	One Category	Maintain existing rules	Maintain existing rules
2005	171	Telecommunications Plant Adjustment	One Category	Maintain existing rules	Maintain existing rules
1402	172	Investment in Non-Affiliated Companies	Class B REB Category All Other Category	Freeze Categories Maintain existing rules	Maintain Categories Maintain existing rules
1220	181	Material and Supplies	CPI Category All Other Category	Freeze Categories Maintain existing rules	Maintain Categorization Maintain existing rules
	182	Cash Working Capital	No Categories	Maintain existing rules	Maintain existing rules
All Primary Accounts	191	Equal Access Equipment	Amounts relating to incremental Expenditure for Equal Access	Maintain existing rules	Maintain existing rules
OPERATING REVENUES & CERTAIN INCOME ACCOUNTS					
5000	212	Local Service Revenues	Existing Accounts	Maintain existing rules	Maintain existing rules
5080	213	Network Access Revenues	Existing Accounts	Maintain existing rules	Maintain existing rules
5100	214	Long Distance Message Revenues	Existing Accounts	Maintain existing rules	Maintain existing rules
5200	215	Miscellaneous Revenues	Existing Accounts	Maintain existing rules	Maintain existing rules
5300	216	Uncollectible Revenues	Existing Accounts	Maintain existing rules	Maintain existing rules
7100	221	Other Operating Income and Expenses	Amounts relating to Foreign Exchange Amounts based on LPS	Freeze Category Relationships Maintain existing rules	Maintain Categories Maintain existing rules
7300	222	Nonoperating Income and Expense	Existing Accounts	Freeze Category Relationships Maintain existing rules	Maintain Account/Category Maintain existing rules
7500	223	Interest and Related Items	Capital Issues	Freeze Category Relationships Maintain existing rules	Maintain Account/Category Maintain existing rules
7600	224	Extraordinary Items	Existing Accounts	Maintain existing rules	Maintain existing rules
7910	225	Income Effect of Jurisdictional Ratemaking Differences	Existing Accounts	Maintain existing rules	Maintain existing rules
OPERATING EXPENSES & TAXES					
6110	310	Network Support Expenses	No Categories	Maintain existing rules	Maintain existing rules
6120	311	General Support Expenses	No Categories	Maintain existing rules	Maintain existing rules
6210	321	Central Office Switching Equipment Expense	No Categories	Maintain existing rules	Maintain existing rules
6220	321	Operator Systems Equipment Expense	No Categories	Maintain existing rules	Maintain existing rules
6230	321	Central Office Transmission Equipment Expense	No Categories	Maintain existing rules	Maintain existing rules
6310	331	Information Origination Termination Equipment Expense	Other IOI Category 1 Customer Premises Equipment Category 2	Freeze Categories Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categorization Freeze Jurisdictional Allocators with average allocator used in 1994-96
6410	341	Cable and Wire Facilities	No Categories		

Overview of Affected Rules

USTA Appendix A

		Expenses		Maintain existing rules	Maintain existing rules
6510	352	Other Property Plant and Equipment Expense	No Categories	Maintain existing rules	Maintain existing rules
6530	353	Network Operations Expense	No Categories	Maintain existing rules	Maintain existing rules
6540	354	Access Expenses	Existing Categories- Accounts	Maintain existing rules	Maintain existing rules
6560	361	Depreciation and Amortization Expense	Follows Investments	Maintain existing rules	Maintain existing rules
6610	372	Marketing Expense	No Categories	Maintain existing rules	Maintain existing rules
6620	373-382	Customer Services Expenses	Telephone Operator Services Category Publish Directory Listing Category All Other Category	Freeze Category relationships Freeze Jurisdictional Allocators as of 12/31/97	Maintain Categories Freeze Jurisdictional Allocators with average allocator used in 1994-96
6710	392	Executive & Planning Expenses	FAS Category All Other Category	Freeze Categories Maintain existing rules	Maintain Categories Maintain existing rules
6720	392	General and Administrative Expense	FAS Category All Other Category	Freeze Categories Maintain existing rules	Maintain Categories Maintain existing rules
7200	411-412	Operating Taxes	Existing Accounts	Maintain existing rules	Maintain existing rules
Plant Specific Accounts	421	Equal Access Expenses	Amounts relating to incremental Expenditure for Equal Access	Maintain existing rules	Maintain existing rules
1500	502	Other Jurisdictional Assets-Net	Existing Accounts	Maintain existing rules	Maintain existing rules
3100	503	Accumulated Depreciation-Primary Plant	Existing Accounts	Maintain existing rules	Maintain existing rules
3200	504	Accumulated Depreciation-Other	Existing Accounts	Maintain existing rules	Maintain existing rules
3400	505	Accumulated Amortization-Tangible	Existing Accounts	Maintain existing rules	Maintain existing rules
3500	505	Accumulated Amortization-Intangible	Existing Accounts	Maintain existing rules	Maintain existing rules
3600	505	Accumulated Amortization-Other	Existing Accounts	Maintain existing rules	Maintain existing rules
4100	506	Net Current Deferred Operating Income Taxes	Existing Accounts	Maintain existing rules	Maintain existing rules
4340	506	Net Non-current Deferred Operating Income Taxes	Existing Accounts	Maintain existing rules	Maintain existing rules
4370	507	Other Jurisdictional Liabilities and Deferred Credits-Net	Existing Accounts	Maintain existing rules	Maintain existing rules

PART 41

**USTA
BIENNIAL REVIEW PETITION
SEPTEMBER 30, 1998**

Rule No.	Action	Justification
41.1-41.32	Eliminate entire Part 41.	These rules are obsolete. They were originally established in 1935 to prevent abused of franking to achieve a competitive advantage. Today, franks are rarely, if ever used.

PART 42

**USTA
BIENNIAL REVIEW PETITION
SEPTEMBER 30, 1998**

Rule	Action	Justification
42.01 thru 42.04	Delete	These sections are no longer necessary because companies already preserve records for legal and financial purposes. Specific rules on how the records should be kept are not necessary. As long as the companies are responsible for producing the records when needed it should be left up to the individual companies to determine the best manner in which to keep the records.
42.5	Delete	Specific requirements for documents in machine-readable format are no longer relevant. Today, most records are originally prepared in electronic format and carriers should be allowed to keep them as such without additional burdens being imposed. As long as the companies are responsible for producing the records when needed it should be left up to the individual companies to determine the best manner in which to keep the records. The Federal Business Records Act provides sufficient guidance to companies for the proper retention of records of all types.
42.6	Delete	It is not necessary to specify that toll records must be kept for 18 months because companies already maintain for their own purposes any records that law enforcement might need. Thus, this rule is no longer necessary.
42.7	Delete	This section is no longer necessary because companies already preserve records for legal and financial purposes. Specific rules on how the records should be kept are not necessary. As long as the companies are responsible for producing the records when needed it should be left up to the individual companies to determine the best manner in which to keep the records.
42.11	Modify	This section should be moved to the revised Part 61 which contains all tariffing rules.

PART 43

**USTA
BIENNIAL REVIEW PETITION
SEPTEMBER 30, 1998**

Rule No.	Action	Justification
43.21	43-01 Annual Summary Report - Consolidate FCC reports 43-01, 43-02, and 43-04 into one new report, 43-00.	Cash flow information is readily available. Demand data is available on the 43-08. Only six Part 69 reporting categories relevant in today's marketplace.
	43-02 USOA - Eliminate-report. Consolidate relevant information into report 43-00.	Many of these schedules have their origin and continued practical significance in rate of return/cost of service regulation. In addition, these schedules contain information that is publicly available in submissions to the SEC. Affiliate transaction data is unnecessary. Plant and depreciation reserve tables are unnecessary. They should be eliminated.
	43-03 Joint Cost Report Replace existing report with consolidation of income and investment information and the combination of the direct, indirect, and generally allocated columns.	Information contained on this report is readily available from other sources.
	495A (Forecast Report) and 495B (Actual Usage Report) Eliminate these reports in entirety.	These reports are unnecessary in today's pro-competitive environment, and create an unnecessary burden imposed on LECs.
	43-04 Access Report - Eliminate this report. Information consolidated into report 43-00.	This report is no longer necessary in the public interest.
	43-05 Delete existing Tables I, II and V of the five tables in the report	Information concerning installation and repair intervals is included in tariffs and service agreements. This reports is duplicative and also contains data that can be used by other providers to give them a competitive advantage. Local service is within the state regulatory commissions jurisdiction. There is no longer a need to report common trunk blockage. ILECs already report on initial and thirty day service disruptions. The FCC receives complaint data from the state commissions. LECs should not be required to report the same

Rule No.	Action	Justification
		information.
43.21(h)	43-06 Delete this entire report. Eliminate Paragraph 43.21(h)	Customer satisfaction survey reporting is unnecessary in a competitive environment. Customers now have more options including filing complaints with the commission or switching to another provider.
43.21(i)	43-07 Delete this entire report. Eliminate Paragraph 43.21(i)	Network services reported in this table are ubiquitous, and there is no need to provide this data. No need to report on the deployment of fiber. The data on these tables is redundant and no longer adds any value..
43.21(j)	43-08 Modify part of Table I.A (delete columns (d) through (o). Eliminate Table III entirely. File the revised report on a "Holding Company" basis, rather than on an operating company basis. Modify rules to reflect this change.	This report requires more detail than is needed in today's competitive environment. In a pro-competitive environment, information should not be required from only one class of provider.

PART 61

**USTA
BIENNIAL REVIEW PETITION
SEPTEMBER 30, 1998**

Rule	Action	Justification
61.2	<p><u>Clear and explicit explanatory statements.</u> Section deleted.</p>	Section adds no value.
61.3 now 61.2	<p><u>Definitions.</u> Definitions associated with price cap regulation are deleted and moved to Part XX. Contract based tariff language modified to be a contract between Carrier and customer.</p>	All price cap regulation rules moved to new Part XX. Contract based tariff language change allows additional flexibility for ILECs to offer contract based tariffs in response to RFPs.
	<p>GENERAL RULES Title deleted.</p>	Title no longer necessary.
	<p>GENERAL RULES FOR DOMESTIC AND INTERNATIONAL NONDOMINANT CARRIERS Replace title with: GENERAL RULES FOR COMMON CARRIERS</p>	The general rules that are the same for all carriers have been consolidated into this one section.
61.20	<p><u>Detariffing of interstate, domestic, interexchange services.</u> Section deleted.</p>	Specific nondominant IXC general tariff rules are no longer necessary.
61.21 now 61.10	<p><u>Method of filing publications.</u> Moved International carrier requirements from 61.21(b)(2) to new 61.11(a)(2) (new International Carrier section). Reference to Tariff Review Branch changed to Tariff and Pricing Analysis Branch.</p>	Moved specific reference to International carrier requirements to new 61.11 to consolidate rules regarding International's. This paragraph consolidates all "method of filing publications" into this section. Bureau changed title of organization responsible for tariffs.

Rule	Action	Justification
61.22 now 61.11	<p><u>Cover Letters.</u> All cover letter information consolidated into this paragraph, including International from 61.21(b)(2). Exception of 61.32(b) (fees) removed.</p>	Consolidated cover letter rules into this one paragraph. Exception regarding fees was redundant, and therefore eliminated.
	<p>SPECIFIC RULES FOR DOMESTIC AND INTERNATIONAL NONDOMINANT CARRIERS Replace Title with: SPECIFIC RULES FOR TARIFF PUBLICATIONS</p>	Title change reflects correct application of the rules to all common carriers, not just nondominant carriers.
61.23	<p><u>Composition of Tariffs.</u> Section deleted.</p>	Specific non-dominant IXC rules no longer necessary.
61.24 now 61.15	<p><u>Notice Requirements</u> Sections 61.24 and 61.58 consolidated into 61.15. Tariff filings making corrections changed from a three-day notice period to a one-day notice period. Nondominant tariff filing notice period corrected from 14 days to 1 day. Moved paragraph 69.3(h) to 61.15(c)(1) and revised language for annual price cap filings. Annual Tariff Filing 90 day notice period changed to 7 or 5 days to comply with Section 204(a)(3) of the Act. Revise 61.15(c)(2) notice period for filings where API does not exceed PCI to be consistent with Section 204(a)(3).</p>	Consolidates notice requirements for tariff publications of all common carriers in this section. Three-day notice period for corrections adds no value to the process. One day is sufficient. Corrects notice requirement language for nondominant carriers and price cap LECs.

Rule	Action	Justification
61.15	<p><u>Notice Requirements</u> Revise 61.15(c)(3) notice period for above band tariff filings from 120 days to 45 days.</p>	120 days for above band filings excessive. 45 days is more reasonable.
61.15	<p><u>Notice Requirements</u> Delete Sections 61.15(c)(4), (5), (6) and (7).</p>	Lower SBI limit rules are obsolete. New services are no longer subject to price cap regulation. New services will be subject to streamlined tariff rules (204(a)(3)) with no cost support requirements and by definition are in the public interest. Restructures will be subject to Section 204(a)(3).
61.15	<p><u>Notice Requirements</u> Revise 61.15(e) to replace OIR with Section 61.70 requirements. Revise 61.15(f) language for Section 61.71 tariffs to be consistent with Section 204(a)(3).</p>	Deleted OIR rules and revised ROR notice periods to be consistent with Section 204(a)(3) of the Act.
61.32 now 61.10	<p><u>Method of Filing Publications</u> Moved from nondominant IXC's section to new consolidated "Method of Filing Publication" section.</p>	Consolidated general rules for all common carriers into paragraph 61.10.
61.33 now 61.12	<p><u>Letters of Transmittals.</u> This paragraph reorganized for a more logical flow. Paragraph 61.33 (b) eliminated, consolidated and moved into new 61.71 section. Eliminate references to contract based tariffs. Reference to Tariff Review Branch changed to Tariff and Pricing Analysis Branch.</p>	Consolidated general rules for all common carriers. Specific tariff rules related to contract based tariffs are unnecessary and burdensome to LEC's. Having a special process and transmittal number for contract-based tariffs adds no value, and requires separate procedures for the LECs.

Rule	Action	Justification
61.35 now 61.42	<p><u>Delivered free of charge.</u> Moved to 61.42 for more logical flow. No change in content.</p>	Section renumbered in the reorganization of all tariff requirements.
61.36 now 61.43	<p><u>Tariff publication not returned.</u> Moved to 61.43 for more logical flow. No change in content.</p>	Section renumbered in the reorganization of all tariff requirements.
61.38 now 61.70	<p><u>Supporting information to be submitted with letters of transmittal.</u> Moved to 61.70, under Rate of Return regulation. Revised applicable carrier language to be those LECs serving less than 2% of the nation's access lines. Revised and greatly reduced cost support requirements and information for tariffs filed pursuant to Section 204(a)(3) of the Act. Language added to state that a zone pricing plan must be filed before introducing zones in a tariff. Eliminated additional supporting material requirements for certain tariff rate increases.</p>	Consolidated all ROR regulation into one section. Applicable carrier language revised to be consistent with Section 251(f)(2) of the Act. Cost support requirements reduced to be consistent with section 204(a)(3) of the Act and to eliminate unnecessary requirements.

Rule	Action	Justification
61.39 now 61.71	<p><u>Optional Supporting information to be submitted with letters of transmittal...</u> Moved to 61.71, under Rate of Return regulation. Revised applicable carrier language to be those LECs serving less than 2% of the nation's access lines. Revised section to refer to SLC and PICC ceilings established in revised Part 69. CCL rate formulas revised to clarify that they recover the revenue requirement not recovered by SLCs and PICCs.</p>	<p>Consolidated all ROR regulation into one section. Applicable carrier language revised to be consistent with Section 251(f)(2) of the Act. Revisions made to be consistent with changes to Part 69 to SLCs and to add PICCs, with CCL recovering remaining revenue, per USTA ROR Access Reform Team proposals.</p>
61.40	<p><u>Private Line rate structure.</u> Section deleted.</p>	<p>Rules are obsolete. Previously applied to AT&T.</p>
61.41	<p><u>Price cap requirements generally.</u> Section deleted and incorporated in new XX.1 rules. All references to dominant IXCs are eliminated.</p>	<p>All price cap regulation rules moved to Part XX. Eliminate obsolete language.</p>
61.42	<p><u>Price cap baskets and service categories.</u> Section deleted and incorporated into new XX.102 rules. All references to dominant IXCs are eliminated.</p>	<p>All price cap regulation rules moved to Part XX. Eliminate obsolete language.</p>
61.43	<p><u>Annual Price Cap filing required.</u> Section deleted and incorporated into 61.15.</p>	<p>The filing notice requirements are now incorporated in 61.15(c).</p>
61.44	<p><u>Adjustments to the PCI for Dominant Interexchange Carriers.</u> Section deleted. All references to dominant IXCs are eliminated.</p>	<p>Dominant IXC price cap rules are obsolete.</p>

Rule	Action	Justification
61.45	<p><u>Adjustments to PCI for Local Exchange Carriers.</u> Section deleted and incorporated into new XX.104 rules.</p>	All price cap regulation rules moved to Part XX.
61.46	<p><u>Adjustments to API.</u> Section deleted and incorporated into new XX.105 rules.</p>	All price cap regulation rules moved to Part XX.
61.47	<p><u>Adjustments to SBI; pricing bands.</u> Section deleted and incorporated into new XX.106 rules.</p>	All price cap regulation rules moved to Part XX.
61.48	<p><u>Transition rules for price cap formula calculations.</u> Section deleted. All references to dominant IXCs are eliminated. Transition rules for price cap LECs eliminated.</p>	Dominant IXC price cap rules and transition rules for price cap LECs are obsolete.
61.49	<p><u>Supporting information to be submitted with letters of transmittal for tariffs of carriers subject to price cap regulation.</u> Section deleted. All references to dominant IXCs are eliminated. Cost support/tariff supporting material requirements eliminated.</p>	Dominant IXC price cap rules are obsolete. Tariff cost support requirements are cumbersome and unnecessary.
New	<p><u>ELECTRONIC TARIFF FILINGS</u> Title added.</p>	Add Title for new Electronic Tariff Filings section.
New 61.44	<p><u>Scope.</u> Add electronic tariff filing requirements.</p>	Complies with Commission requirements for tariffs to be filed electronically.