



EX PARTE OR LATE FILED

December 17, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ex Parte

Ms. Magalie R. Salas
Secretary
Federal Communication Commission
Room 222
1919 M. Street, N.W.
Washington, D.C. 20554

Re: CC Docket No. 97-151, In the Matter of Implementation of Section 703(e)
of the Telecommunications Act of 1996, Amendments of the
Commission's Rules and Policies Governing Pole Attachments

Dear Ms. Salas:

Please be advised that on Wednesday, December 16, 1998, Mr. Jonathan Royston, Mr. Gary Campbell, Mr. Pat Doherty, and the undersigned of SBC Communications Inc. (SBC), met with Ms. Margaret Egler, Acting Chief, Ms. Cheryl J. King, Attorney, and Mr. Warren O'Hearn, Financial Analyst, of the Financial Analysis and Compliance Division and Mr. Wayne King, Senior Attorney, all of the Cable Services Bureau, regarding matters that SBC requests that the Bureau reconsider. This meeting was a follow up to the Ex Parte filed by SBC with the Commission on September 25, 1998 and the Ex Parte filed by the United States Telephone Association (USTA) on November 5, 1998.

A copy of the material discussed with the Cable Services Bureau in this meeting is attached. Specifically, SBC Communications Inc.'s telephone companies (Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell) seek reconsideration as follows:

- Changing the proposed method of estimating the average number of attaching entities from three demographic areas (urban, urbanized and rural areas) to two demographic areas (urbanized and non-urbanized), as defined by the Census Bureau, due to the complexity and additional costs involved and the minimal, if any, benefits of greater desegregation; and

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- Categorizing serving areas or wire centers as either *completely* urbanized or non-urbanized.

The method proposed by USTA greatly reduces the cost and burden of implementing the rate methodology outlined in the Report and Order without compromising the Commission's goals (e.g., the need to recognize a difference in the attaching entities) and without a material impact on the resulting rate structure for the attaching entities. As demonstrated by this Ex Parte and the Ex Parte filed with the Commission on September 25, 1998, the methodology outlined in the FCC's Report and Order will be burdensome and costly to implement with little or no additional benefit.

Please include this letter and the attachments in the record of these proceedings in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Acknowledgement and date of receipt of this transmittal are requested. A duplicate transmittal letter is attached for this purpose.

If you have questions concerning these measurement efforts please feel free to contact me at 202-326-8894.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Braun". The signature is written in a cursive, somewhat stylized font.

Attachments

**Cc: Ms. Margaret Egler, Acting Cable Services Bureau
Ms. Cheryl King, Attorney, Cable Services Bureau**

CS Docket No. 97-151
Rules on Pole Attach. And Conduit
Calculation of Average Attaching Entities
SBC Telephone Companies

- **Commission Order Mandate(February 6,1998)-Calculation of the average number of attaching entities to Poles(and Conduit).-Para 74**
 - **Utility calculates presumptive average based on demographic areas-rural, urban, and urbanized.**
 - **Demographic areas are defined in maps of the Census Bureau.**
 - **Urbanized>50,000, Urban>2500, Rural =remaining areas**

- **Mapping the franchise areas of a utility to a demographic area and assigning poles to these areas will be incredibly time consuming.**
 - **SBC example- 872,000 poles in the franchise area of Texas must be identified and categorized into urbanized, urban, and rural.**
 - **Example-Frisco, Texas wire center- Poles in Frisco would have to be categorized into 27 areas; urban and rural.**
 - **Pole property records do not contain the location of the pole.**
 - **Each pole would be 1)located and numbered on an outside plant map, and 2)that number would be input to a newly created database.**
 - **All 520 wire centers for SBC would be cataloged in this fashion creating a database with 872,000 items.**

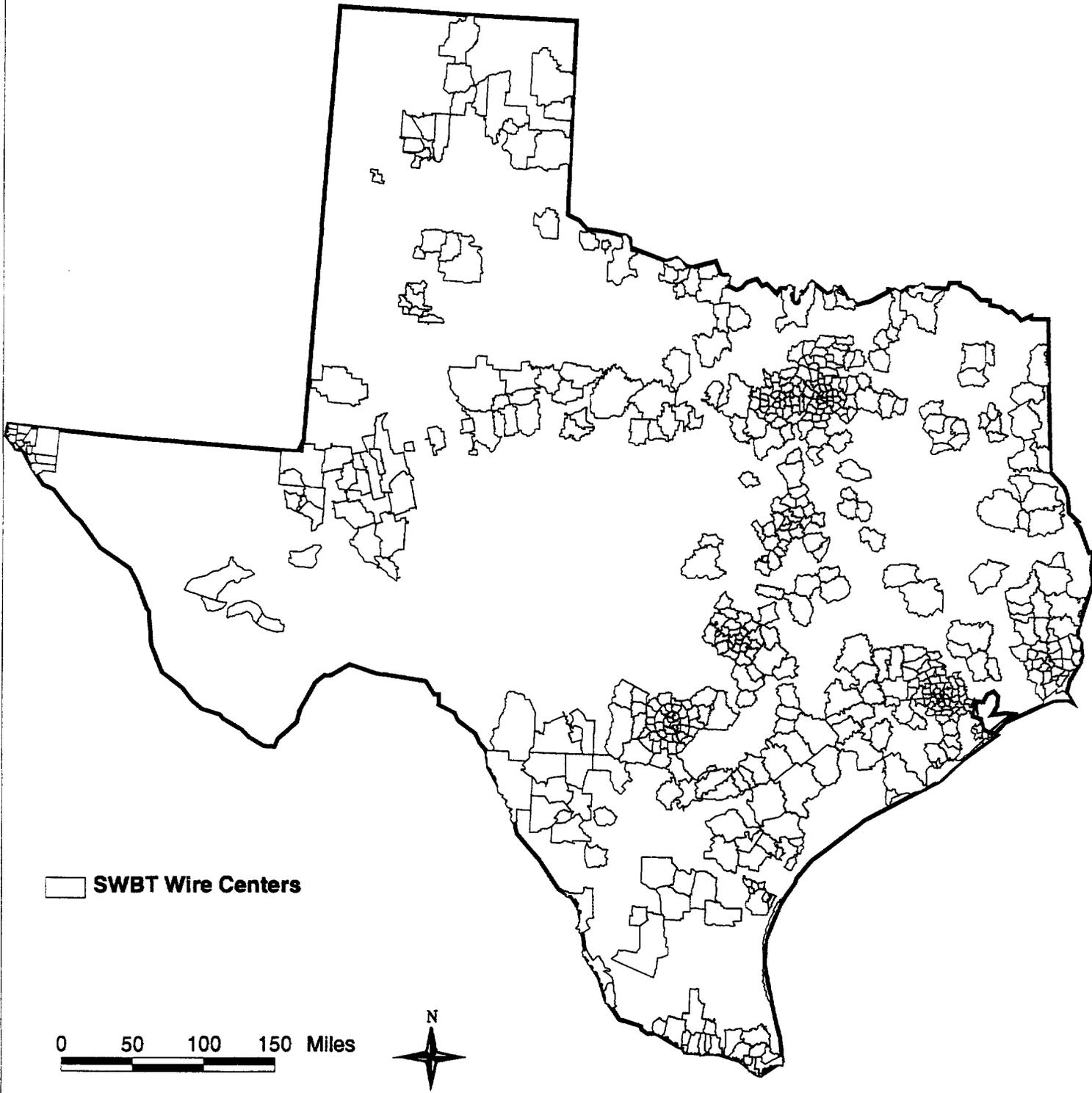
- **Sampling and visits to determine the average number of attachers.**
 - **Roughly 200 sample poles in Texas would be drawn from the database for each category (urbanized, urban, and rural) summing to 600 sample items.**
 - **Each sampled pole will require a trip by an individual to observe the number of attaching entities on the pole.**
 - **A statewide average for each type of area (e.g. rural) would then be computed.**

- **This process would have to be done in seven states for poles and conduit.**

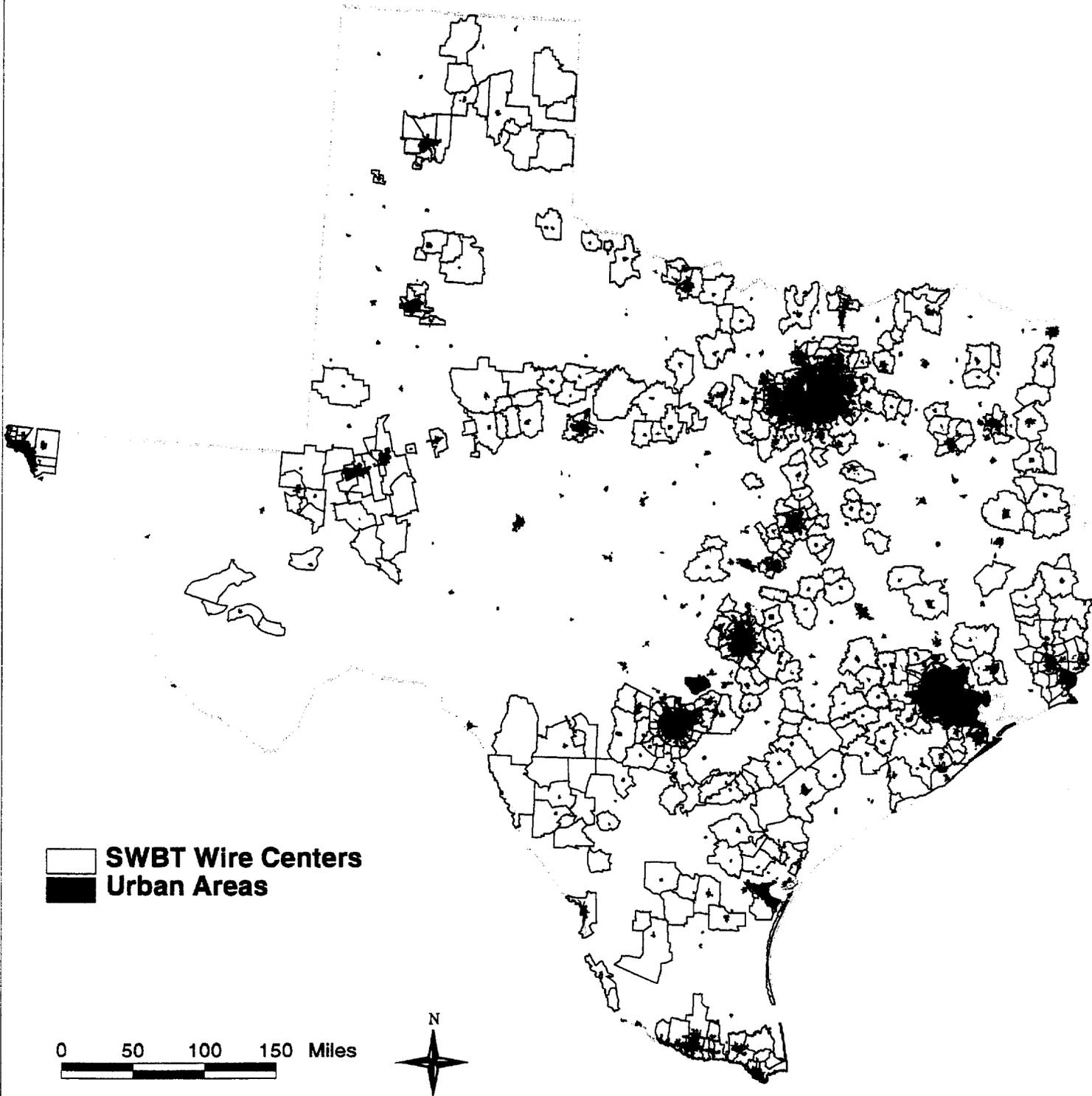
- **SBC anticipates that the costs of mapping, sampling, and observing attachments in some states could exceed the level of revenue.**
 - **SBC revenue for pole and conduit attachments combined for Kansas, Arkansas, and Oklahoma are \$169,000; \$402,000; and \$603,000 respectively.**

- **USTA (and SBC) proposal**
 - **Eliminate the “urban” category. The “attachment” profile of demographic areas between 2500 and 50,000 (urban) do not vary significantly from rural areas. The town of Snyder, Texas(pop. 12,195) will not be appreciably different than areas with population densities of less than 2500(rural).**
 - **Categorize wire centers (serving areas) as either completely urbanized or non-urbanized. An urbanized wire center would be any wire center with any incidence of urbanized area as evidenced by the Census Bureau map. In essence, the entire wire center would have the same classification.**

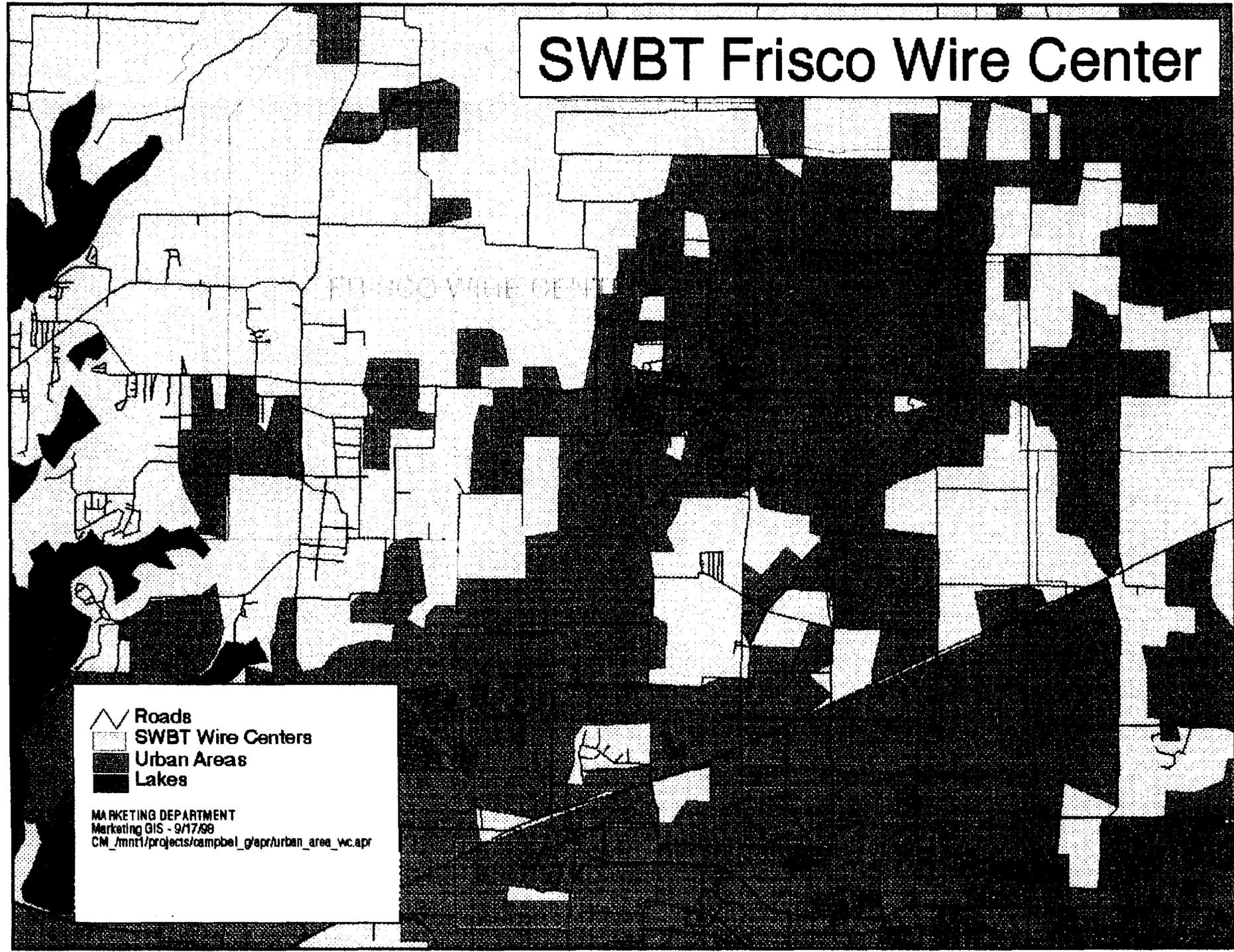
Texas



Texas



SWBT Frisco Wire Center



-  Roads
-  SWBT Wire Centers
-  Urban Areas
-  Lakes

MARKETING DEPARTMENT
Marketing GIS - 9/17/99
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