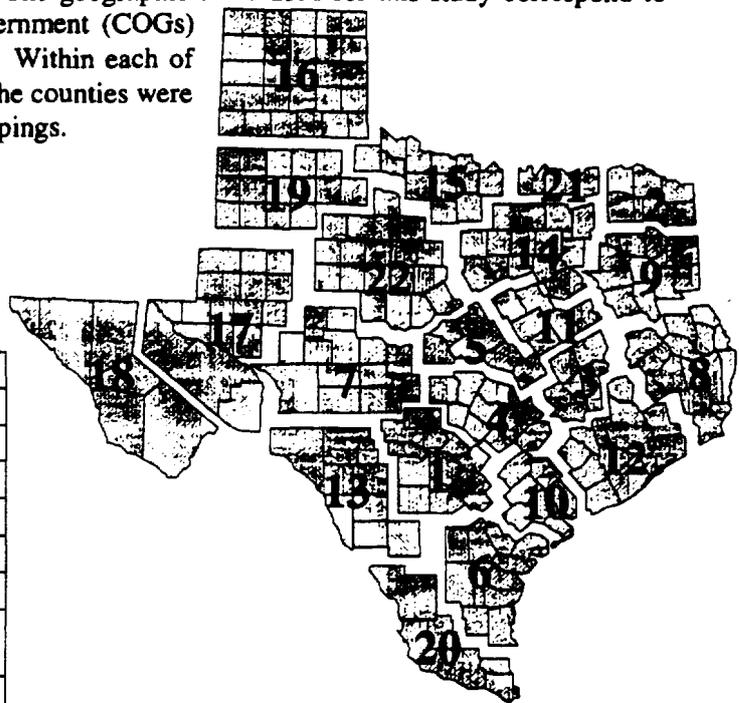


APPENDIX H: PUC DATA COLLECTION – REGIONAL GROUPINGS AND DATA REQUESTED

Parties in these proceedings explored methods by which to gather and aggregate useful information without compromising confidentiality of competitively sensitive data. As a result, the data are first aggregated by county, and then the largest counties in the state are grouped according to size. Because the Rural category of counties (populations below 100,000) still varied so widely in both population and access to services, data for them were separated by geographic area and by size grouping. The geographic areas used for this study correspond to boundaries of the 24 Councils of Government (COGs) areas in Texas, with two exceptions.¹¹⁸ Within each of the 22 resulting geographic areas, then, the counties were separated into three population size groupings.

Regional Groupings

| | |
|----|--|
| 1 | Alamo Area C. O. G. |
| 2 | Ark-Tex C. O. G. |
| 3 | Brazos Valley C. O. G. |
| 4 | Capital Area P. C. |
| 5 | Central Texas C. O. G. |
| 6 | Coastal Bend C. O. G. |
| 7 | Concho Valley C. O. G. |
| 8 | Deep East Texas C. O. G. (Incl. S. E. Texas R. P. C.) |
| 9 | East Texas C. O. G. |
| 10 | Golden Crescent R. P. C. |
| 11 | Heart of Texas C. O. G. |
| 12 | Houston-Galveston A. C. |
| 13 | Middle Rio Grande D. C. |
| 14 | North Central Texas C. O. G. |
| 15 | North Texas R. P. C. |
| 16 | Panhandle R. P. C. |



| | |
|----|---|
| 17 | Permian Basin R. P. C. |
| 18 | Rio Grande C. O. G. |
| 19 | South Plains A. G. |
| 20 | South Texas D. C. (includes Lwr Rio Grande Val. D. C.) |
| 21 | Texoma C. O. G. |
| 22 | West Central Texas C. O. G. |

¹¹⁸ To further protect confidentiality, counties in the Deep East Texas Council of Governments are combined with the South East Texas Regional Planning Commission, and counties in the South Texas Development Council are combined with the Lower Rio Grande Valley Development Council.

Data Collection: A Regional Approach

In a recent FCC report on the deployment of advanced services, the FCC found a strong correlation between deployment of advanced services and population density and income of an area.¹¹⁹ This finding is consistent with the historical spread of telephone service in Texas and other places in the country. The large cities were the first to get telephone service. While the private sector readily provided telephone service to densely populated and wealthy areas in Texas, residents in the poorer and more rural areas of Texas formed utility cooperatives to provide telephony to areas that private-sector companies found insufficiently profitable.

In order to capture the unfolding of competition in Texas, the Commission developed a data collection instrument that collected data on a regional basis that reflects the diversity of the Texas population. Commission staff designed the categories of data requested to show the level and growth of competition across different areas of Texas and to provide information as to the distinction among facility-based providers and resellers. The questions asked in the data request are shown below in this appendix.

When responding to the data collection instrument, CLECs and ILECs aggregated the data first by county, and then the largest counties in the state are grouped according to size, as charted earlier in Chapter 3 of this *Report*.¹²⁰ Because the Rural category of counties still varied so widely in both population and access to services, data for them was separated by geographic area and by size grouping. The geographic areas used for this study correspond to boundaries of the 24 Councils of Government (COGs) areas in Texas, with two exceptions.¹²¹ Within each of the 22 resulting geographic areas, then, the rural counties were separated into three population size groupings.¹²² In this manner, the CLECs and ILECs reported their data used this report in 69 geographic and size groupings. Below follows a cross-reference between the county name and the geographic/size reporting area to which the county has been assigned.

¹¹⁹ *Deployment of Advanced Telecommunication Capability: Second Report*, [CC Docket No. 98-146] Federal Communications Commission, at 40-42 (August 2000).

¹²⁰ Counties with over 600,000 people form Group 1 – Large Metro. Counties with over 100,000 people that are in the same metro are as the counties in Group 1 form Group 2 – Suburban. Counties with at least 100,000 people that are not already in Groups 1 and 2 form Group 3 – Medium and Small Metro. Counties with fewer than 100,000 people form Group 4 – Rural.

¹²¹ To further protect confidentiality, counties in the Deep East Texas Council of Governments are combined with the South East Texas Regional Planning Commission, and counties in the South Texas Development Council are combined with the Lower Rio Grande Valley Development Council.

¹²² By size: counties below 5,000 population, those between 5,000 and 20,000, and those between 20,000 and 100,000.

Table 32 – Population Categories for Scope of Competition Report Data Collection

| | |
|---------------------------------|---|
| Group 1 (Large Metro): | Counties with over 600,000 people |
| Group 2 (Suburbs): | Counties with over 100,000 that are in the same metro area as the counties in Group 1 |
| Group 3 (Medium & Small Metro): | Counties with at least 98,000 people that are not in Groups 1 & 2 |
| Group 4 (Rural): | Counties with fewer than 98,000 people |

County Population Aggregation Groupings

Large Metro (Group 1) Counties

| | | | |
|--------|-----------|---------|-----------|
| Harris | 3,158,095 | Tarrant | 1,327,332 |
| Dallas | 2,023,140 | El Paso | 701,576 |
| Bexar | 1,359,993 | Travis | 693,606 |

Suburban (Group 2) Counties: Larger Counties near Metro Areas

| | | | |
|------------|---------|------------|---------|
| Collin | 401,352 | Galveston | 242,979 |
| Denton | 365,058 | Brazoria | 225,406 |
| Fort Bend | 321,149 | Williamson | 210,477 |
| Montgomery | 258,127 | | |

Small and Medium Metro (Group 3) Counties: Other Larger Counties

| | | | |
|-----------|---------|-----------|---------|
| Hidalgo | 510,922 | Ector | 124,727 |
| Cameron | 320,801 | Taylor | 121,456 |
| Nueces | 317,474 | Midland | 118,662 |
| Jefferson | 241,940 | Johnson | 114,052 |
| Lubbock | 230,672 | Gregg | 113,147 |
| Bell | 222,302 | Potter | 109,243 |
| McLennan | 202,983 | Tom Green | 102,648 |
| Webb | 183,219 | Grayson | 101,541 |
| Smith | 166,723 | Ellis | 100,627 |
| Brazos | 133,008 | Randall | 98,922 |
| Wichita | 128,827 | | |

Rural Counties -**Alamo Area Council of Governments**

| Over 20,000 | |
|-------------|--------|
| Kendall | 20,394 |
| Wilson | 30,194 |
| Atascosa | 35,268 |
| Medina | 36,827 |
| Kerr | 42,623 |
| Comal | 70,682 |
| Guadalupe | 77,963 |

| 5,001 – 20,000 | |
|----------------|--------|
| Karnes | 12,501 |
| Bandera | 15,005 |
| Frio | 15,875 |
| Gillespie | 19,909 |
| | |
| | |
| | |

| 5,000 or Less (None) | |
|-------------------------|--|
| | |
| | |
| | |
| | |
| | |
| | |

Ark-Tex Council of Governments

| Over 20,000 | |
|-------------|--------|
| Titus | 25,245 |
| Cass | 30,518 |
| Hopkins | 30,535 |
| Lamar | 45,772 |
| Bowie | 83,672 |

| 5,001 – 20,000 | |
|----------------|--------|
| Franklin | 9,589 |
| Morris | 13,302 |
| Red River | 13,794 |
| | |
| | |

| 5,000 or Less | |
|---------------|-------|
| Delta | 4,941 |
| | |
| | |
| | |
| | |

Brazos Valley Council of Governments

| Over 20,000 | |
|-------------|--------|
| Grimes | 22,846 |
| Washington | 29,033 |
| | |
| | |

| 5,001 – 20,000 | |
|----------------|--------|
| Madison | 11,932 |
| Leon | 14,450 |
| Burleson | 15,368 |
| Robertson | 15,534 |

| 5,000 or Less (None) | |
|-------------------------|--|
| | |
| | |
| | |
| | |

Capital Area Planning Council

| Over 20,000 | |
|-------------|--------|
| Fayette | 21,101 |
| Burnet | 30,755 |
| Caldwell | 31,625 |
| Bastrop | 49,031 |
| Hays | 86,284 |

| 5,001 – 20,000 | |
|----------------|--------|
| Blanco | 8,213 |
| Llano | 13,104 |
| Lee | 14,792 |
| | |
| | |

| 5,000 or Less (None) | |
|-------------------------|--|
| | |
| | |
| | |
| | |

Central Texas Council of Governments

| Over 20,000 | |
|-------------|--------|
| Milam | 24,266 |
| Coryell | 77,438 |
| | |

| 5,001 – 20,000 | |
|----------------|--------|
| San Saba | 6,424 |
| Hamilton | 7,608 |
| Lampasas | 17,491 |

| 5,000 or Less | |
|---------------|-------|
| Mills | 4,771 |
| | |
| | |

Coastal Bend Council of Governments

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|--------------|--------|----------------|--------|---------------|-----|
| Aransas | 22,579 | Brooks | 8,458 | Kenedy | 427 |
| Bee | 28,054 | Live Oak | 10,157 | McMullen | 783 |
| Kleberg | 30,216 | Duval | 13,607 | | |
| Jim Wells | 39,842 | | | | |
| San Patricio | 69,626 | | | | |

Concho Valley Council of Governments

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--|----------------|-------|---------------|-------|
| (None) | | Refugio | 7,882 | Sterling | 1,385 |
| | | McCulloch | 8,778 | Irion | 1,696 |
| | | | | Menard | 2,333 |
| | | | | Schleicher | 3,047 |
| | | | | Concho | 3,104 |
| | | | | Coke | 3,426 |
| | | | | Mason | 3,650 |
| | | | | Kimble | 4,199 |
| | | | | Reagan | 4,228 |
| | | | | Sutton | 4,437 |
| | | | | Crockett | 4,518 |

**Deep East Texas Council of Governments
(Includes South East Texas Regional Planning Commission)**

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|--|
| Tyler | 20,107 | San Augustine | 8,184 | (None) | |
| San Jacinto | 20,860 | Sabine | 10,565 | | |
| Houston | 21,884 | Trinity | 12,410 | | |
| Shelby | 22,652 | Newton | 14,418 | | |
| Jasper | 33,203 | | | | |
| Polk | 47,452 | | | | |
| Nacogdoches | 56,716 | | | | |
| Angelina | 76,799 | | | | |
| Hardin | 48,403 | | | | |
| Orange | 84,648 | | | | |

East Texas Council of Governments

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|--|
| Panola | 23,005 | Rains | 8,213 | (None) | |
| Wood | 34,170 | Marion | 10,672 | | |
| Upshur | 35,416 | Camp | 10,978 | | |
| Cherokee | 42,778 | | | | |
| Van Zandt | 42,998 | | | | |
| Rusk | 45,636 | | | | |
| Anderson | 52,540 | | | | |
| Harrison | 59,687 | | | | |
| Henderson | 67,347 | | | | |

Golden Crescent Regional Planning Commission

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|--|
| Calhoun | 20,806 | Goliad | 6,776 | (None) | |
| Victoria | 82,024 | Jackson | 13,656 | | |
| | | Gonzales | 17,569 | | |
| | | Lavaca | 18,676 | | |
| | | Dewitt | 19,674 | | |

Heart of Texas Council of Governments

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|--|
| Limestone | 21,059 | Bosque | 16,674 | (None) | |
| Hill | 30,033 | Freestone | 17,540 | | |
| | | Falls | 17,747 | | |

Houston-Galveston Area Council

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|--|
| Austin | 22,903 | Colorado | 18,880 | (None) | |
| Chambers | 23,545 | | | | |
| Waller | 26,792 | | | | |
| Matagorda | 37,910 | | | | |
| Wharton | 40,146 | | | | |
| Walker | 54,528 | | | | |
| Liberty | 63,948 | | | | |

Middle Rio Grande Development Council

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|-------|
| Uvalde | 25,619 | LaSalle | 5,935 | Real | 2,686 |
| Val Verde | 43,115 | Dimmitt | 10,486 | Kinney | 3,481 |
| Maverick | 47,877 | Zavala | 11,955 | Edwards | 3,738 |

North Central Texas Council of Governments

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|-------|---------------|--|
| Palo Pinto | 25,494 | Sovervell | 6,235 | (None) | |
| Erath | 31,275 | Jack | 7,314 | | |
| Rockwall | 35,923 | | | | |
| Hood | 36,205 | | | | |
| Navarro | 41,366 | | | | |
| Wise | 42,387 | | | | |
| Kaufman | 63,857 | | | | |
| Hunt | 69,309 | | | | |
| Parker | 78,811 | | | | |

North Texas Regional Planning Commission

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--|----------------|--------|---------------|-------|
| (None) | | Archer | 8,276 | Foard | 1,726 |
| | | Clay | 10,407 | Cottle | 1,957 |
| | | Wilbarger | 14,138 | Baylor | 4,165 |
| | | Young | 17,575 | Hardeman | 4,701 |
| | | Montague | 18,290 | | |

Panhandle Regional Planning Commission

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|-------|
| Gray | 23,719 | Hartley | 5,121 | Roberts | 988 |
| Hutchinson | 23,973 | Wheeler | 5,309 | Briscoe | 1,982 |
| | | Hansford | 5,396 | Armstrong | 2,172 |
| | | Dallam | 6,361 | Oldham | 2,219 |
| | | Carson | 6,698 | Sherman | 2,905 |
| | | Childress | 7,630 | Lipscomb | 3,027 |
| | | Castro | 8,307 | Collingsworth | 3,330 |
| | | Swisher | 8,347 | Hemphill | 3,618 |
| | | Ochiltree | 8,902 | Hall | 3,705 |
| | | Parmer | 10,475 | Donley | 3,810 |
| | | Deaf Smith | 19,448 | | |
| | | Moore | 19,510 | | |

Permian Basin Regional Planning Commission

| Over 20,000 | | 5,001 – 20,000 | | 5,000 or Less | |
|-------------|--------|----------------|--------|---------------|-------|
| Howard | 32,562 | Martin | 5,078 | Loving | 106 |
| | | Winkler | 8,037 | Borden | 748 |
| | | Ward | 11,891 | Terrell | 1,189 |
| | | Andrews | 14,072 | Glasscock | 1,454 |
| | | Dawson | 14,793 | Upton | 3,815 |
| | | Reeves | 14,856 | Crane | 4,557 |
| | | Gaines | 14,985 | | |
| | | Pecos | 16,196 | | |

Rio Grande Council of Governments

| Over 20,000 | |
|-------------|--|
| (None) | |
| | |
| | |

| 5,001 – 20,000 | |
|----------------|-------|
| Presidio | 8,577 |
| Brewster | 9,039 |
| | |
| | |

| 5,000 or Less | |
|---------------|-------|
| Jeff Davis | 2,234 |
| Culberson | 3,136 |
| Hudspeth | 3,328 |
| | |
| | |

South Plains Association of Governments

| Over 20,000 | |
|-------------|--------|
| Hockley | 23,933 |
| Hale | 36,603 |
| | |
| | |
| | |
| | |

| 5,001 – 20,000 | |
|----------------|--------|
| Lynn | 6,591 |
| Bailey | 6,831 |
| Crosby | 7,375 |
| Yoakum | 8,169 |
| Floyd | 8,213 |
| Terry | 13,003 |
| Lamb | 14,849 |

| 5,000 or Less | |
|---------------|-------|
| King | 348 |
| Motley | 1,280 |
| Dickens | 2,254 |
| Cochran | 3,978 |
| Garza | 4,632 |
| | |
| | |

**South Texas Development Council
(includes Lower Rio Grande Valley Development Council)**

| Over 20,000 | |
|-------------|--------|
| Starr | 55,560 |
| | |
| | |
| | |

| 5,001 – 20,000 | |
|----------------|--------|
| Zapata | 11,266 |
| Willacy | 19,662 |
| | |
| | |

| 5,000 or Less | |
|---------------|-------|
| Jim Hogg | 4,925 |
| | |
| | |
| | |

Texoma Council of Governments

| Over 20,000 | |
|-------------|--------|
| Fannin | 27,655 |
| Cooke | 32,989 |

| 5,001 – 20,000 | |
|----------------|--|
| (None) | |
| | |

| 5,000 or Less | |
|---------------|--|
| (None) | |
| | |

West Central Texas Council of Governments

| Over 20,000 | |
|-------------|--------|
| Brown | 36,903 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

| 5,001 – 20,000 | |
|----------------|--------|
| Haskell | 6,107 |
| Mitchell | 8,768 |
| Coleman | 9,590 |
| Stephens | 9,902 |
| Runnels | 11,457 |
| Callahan | 12,816 |
| Comanche | 13,595 |
| Nolan | 16,486 |
| Eastland | 17,857 |
| Scurry | 18,185 |
| Jones | 18,803 |

| 5,000 or Less | |
|---------------|-------|
| Kent | 863 |
| Throckmorton | 1,704 |
| Stonewall | 1,807 |
| Shackelford | 3,335 |
| Knox | 4,309 |
| Fisher | 4,352 |
| | |
| | |
| | |
| | |

Data Request 2000

The Data Request used to gather information from telecommunications providers requested the information outlined below, broken out into the above geographic and size regions when indicated:

General Information:

Name of the Certificated Telecommunication Utility (CTU) (not the d/b/a name)

Whether company is an ILEC or a CLEC

Type of certificate your company holds: (CCN, SPCOA, or COA)

Contact Person: (Street Address, City, Zip Code, Phone Number, Fax Number, Email Address)

Statewide Information (For 1998 & 1999):

Basic Local Exchange Service Revenue

Percentage of [a] that is Residential Service

Services typically included with the company's basic local service rate.

Long Distance (For 1997, 1998, & 1999):

- Intrastate originating switched access minutes of use purchased (Statewide):
- AT&T, MCIW, SPRINT
- All Others

- Long Distance Revenues (Statewide)
- IntraLATA MTS 1+
- IntraLATA MTS not 1+
- InterLATA Intrastate
- Intrastate WATS (Inward - e.g., 800 services)
- Intrastate WATS (Outbound)

Statewide Infrastructure & Universal Service (all CTUs) (For Year End 1998 & 1999):

A. Universal Service

- # of households participating in Tel-Assistance
- # of households participating in Link-Up America
- # of households participating in other lifeline programs

B. BETRS technology

- # of customers served by BETRS technology
- Names of exchanges that used the BETRS technology in 1999.

C. # of local switches deployed by exchange size (Statewide):
(classified by # of working access lines in basic local exchange calling scope)

- Number of lines for the following exchange size categories:
 - <3,000 lines, 3,000 - 31,000, 31,001 - 100,000, 100K - 300K, Over 300K

D. Switch distribution (Statewide):

- # of switches providing only local service
- # of switches providing combined Toll & Local, Toll Only, or Tandem EAS/ Toll

Retail, for each of the following categories: Category 1 Residential Lines, Category 2 Non-Residential Lines, Category 3 Point-to-Point (all CTUs):

(By Regional Group & Population Category)

- # of access lines entirely provided using your own network facilities
- # of access lines entirely provided by purchasing retail services at wholesale discount
- # of access lines provided by purchasing UNEs
- Annual revenues from respective category (Category 1, 2, 3)

Interconnection Trunks (CLECs Only) and Payphones (all CTUs) (For 1998 & 1999):

(By Regional Group & Population Category)

CLECs Only:

- Total # of voice-grade equivalent interconnection circuits you have with ILECs
- Total # of voice-grade equivalent interconnection circuits you have with Non-ILECs

All CTUs:

- # of payphones provided by your CTU
- #of payphone lines provided by your CTU to payphone providers

Wholesale Services – UNE Loops:

(By Regional Group & Population Category & in # of Units and Revenue for 1998 & 1999)

- Lines provided under a UNE loop arrangement where your company DID NOT provide switching for the line.
- Lines provided under a UNE loop arrangement where your company DID provide switching for the line.

Wholesale Services- Resale & Other Information:

(By Regional Group & Population Category & in # of Units and Revenues for 1998 & 1999)

- Lines Provided Under Total Service Resale Agreements.
- Interconnection Trunks

Wholesale Services – Dark Fibers, Collocation and Other Information:

(By Population Category & in # of Units & Revenues for 1998 & 1999)

- Dark Fiber UNE Arrangements
- Collocation
- # of IXC Customers Purchasing FGD Access

Infrastructure by Region (For 1998 & 1999:

- Regional Group
- Population Category
- Net Investment in Plant Facilities (Year-End)
- Annual Construction Expenditures
- Percentage of Annual Construction Expenditure for that is for the provision of local exchange service.

Advanced Services Report:

- Regional Group
- Population Category
- Total # of access lines
- # of ISDN-BRI access lines
- # of T-1 access lines
- # of xDSL access lines
- # of other access lines >200Kbps (downlink)
- # of all access lines >200Kbps (downlink) provided within a radius of 18Kf from the CO
- % of COs that are SS7 Capable
- % of CO w/ digital switch
- # of fiber loops end to end
- # of copper loops end to end (<12Kf, 12Kf-18Kf, >18Kf)
- Avg. length of a copper loop end to end (in ft.)
- # of DLC loops
- Avg. DLC loop length (in ft.)
- # of WLL loops
- Max. downlink data rate for WLL loops
- % of COs providing xDSL services?
- % of COs for which a xDSL study was done?
- Estimated date in which xDSL services will be offered (MM/YY)
- % of COs for which no estimated date for xDSL services is available?
- List all the COs (by CLLI) without an ISP retail customer served by the reporting carrier

General Access Revenue, MOU Data and Access Line Count (1995 to 1999 and 01/00 to 04/00):

- Total Revenues: Switched and Special
- Total Minutes of Use (Switched)
- Total number of access lines (residential and non-residential) providing service to end use customers. Exclude private lines and provide total termination counts for PBX and Plexar (resale vs. wholesale).
- Total number of Special Access/Private lines/ Dedicated circuits (T1 capacity or greater and/or voice grade lines) provided to end use customers. (resale vs. wholesale).
- Total Number of Unbundled Loops

APPENDIX I: SOCIOECONOMIC PROFILE OF TEXAS

The following subsections profile the population, population density, and *per capita* income of Texas by county or region for this report, which is consistent with the breakdown of the data by region used in the data collection instrument.

Population

The population of Texas as of January 1, 1999, was 19.9 million. (See Table 33) Though Texas is a large state geographically, much of its population is clustered in urban areas. The Large Metro areas had a population of 9.4 million, or nearly half of the population of Texas. Together, the Suburban and Large Metro areas represent nearly 60% of the Texas population. The Small and Medium Metro areas of Texas represent about one fifth of the Texas population, as do the Rural areas of Texas.

Table 33 – Texas Population by Group

| Group | Description | 1990 | 1999 | Percent of Total in 1999 | Growth Rate 1990-1999 |
|--------------|------------------------|-------------------|-------------------|--------------------------|-----------------------|
| 1 | Large Metro | 8,194,425 | 9,439,438 | 47.4% | 15.2% |
| 2 | Suburban | 1,493,837 | 2,161,912 | 10.8% | 44.7% |
| 3 | Medium and Small Metro | 3,319,290 | 3,851,471 | 19.3% | 16.0% |
| 4 | Rural | 3,978,783 | 4,472,756 | 22.4% | 12.4% |
| Total | State of Texas | 16,986,335 | 19,925,577 | 100.0% | 17.3% |

Source: Texas State Data Center

The population of Texas has been growing rapidly in the past decade, especially in the Suburban areas. The population of Texas grew from 17.0 million in 1990 to 19.9 million in 1999, an increase of 17.3 percent overall, but the Suburban areas grew 44.7%. Growth in each of the other three categories was shared rather evenly, at levels near the statewide average.

However, within the Rural category, the growth rates varied widely, as can be observed in the table below. Of the 4.5 million people living in Rural areas of Texas in 1999, 72.4 percent lived in counties with a population of 20,000 or more residents. Those counties saw population growth of 15.3 percent. Only 138,000 people, or less than one percent of the population of Texas, lived in counties that had 5,000 people or fewer, and those counties saw an actual decrease in population of 0.6%.

Table 34 – Population in Rural Areas of Texas by Size of County

| Population in 1999 | 1990 | 1999 | Percent of Rural in 1999 | Growth Rate 1990-1999 |
|--------------------|------------------|------------------|-----------------------------|--------------------------|
| 20,001 - 100,000 | 2,807,429 | 3,236,801 | 72.4% | 15.3% |
| 5,001 - 20,000 | 1,032,327 | 1,097,771 | 24.5% | 6.3% |
| 0 to 5,000 | 139,027 | 138,184 | 3.1% | -0.6% |
| Rural Total | 3,978,783 | 4,472,756 | 100.0% | 12.4% |

Source: Texas State Data Center

Population Density

Figure 16 shows population density by county for Texas in 1999. Not surprisingly, population density is high along the I35 corridor from San Antonio to the Oklahoma border, in the Houston/Galveston area, and in El Paso. Population densities are much higher on average in rural areas of East Texas than in rural areas of West Texas, with many counties in West Texas having fewer than five people per square mile.

Income

Figure 17 shows the *per capita* income by county for Texas in 1998. The wealthiest areas in Texas (incomes greater than \$25,000) are metropolitan areas of Dallas / Fort Worth, Houston, and Austin. Other areas of the state showing high *per capita* incomes are areas associated with the oil industry: the northern Panhandle and Midland County in West Texas, and Smith County (Tyler metro area) in East Texas. Income in the oil-producing areas is more volatile than in the Large Metropolitan areas of Texas. The poorest areas in the state (incomes less than \$13,500) are adjacent to or near the Rio Grande Valley and in West Texas.

Figure 16 – Population Density of Texas by County in 1999

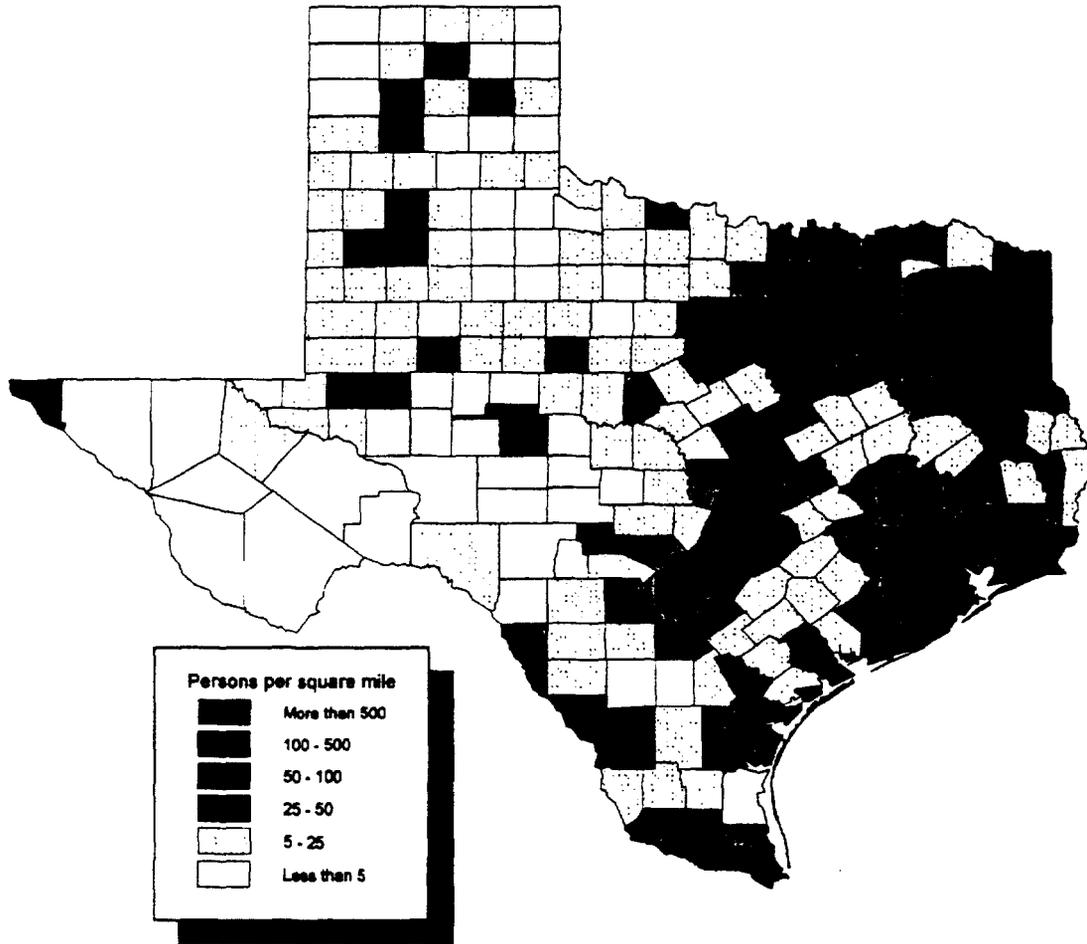
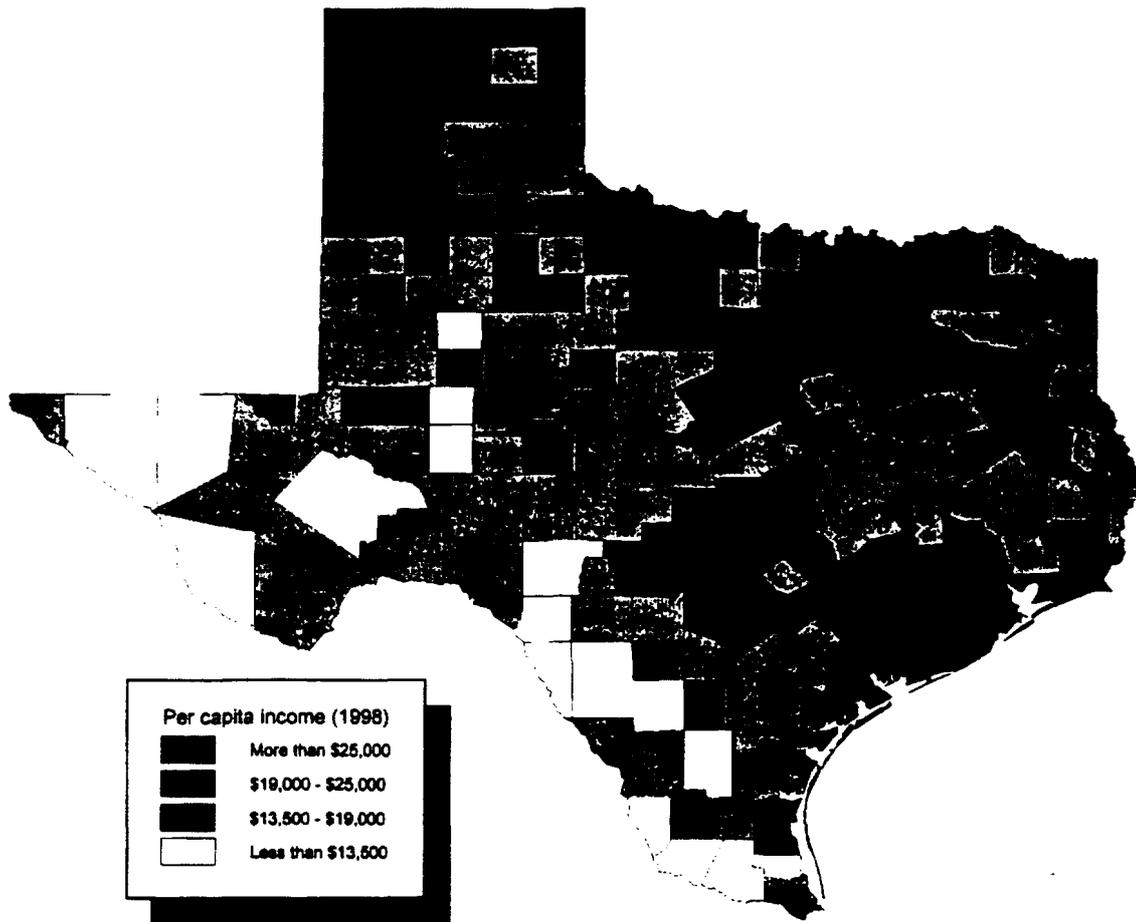


Figure 17 – Per Capita Income of Texas by County in 1998



APPENDIX J: ILEC AND CLEC COMPARATIVE DATA

The following four tables contain summary comparisons of ILEC and CLEC access lines and revenues for year-end 1998 and 1999, as reported by the carriers in their responses to the PUC's data request. For the purpose of these tables, residential and business data are combined.

Table 35 – Comparison of 1998 ILEC and CLEC Access Lines

| Regional Group | Population Category | 1998 Residential & Business Lines | | | | |
|--|---------------------|-----------------------------------|-------|---------|-----|-----------|
| | | ILEC | % | CLEC | % | Total |
| Large Metro (Group 1) | Over 600,000 | 5,780,957 | 97.0 | 179,921 | 3.0 | 5,960,878 |
| Suburban (Group 2) | Near Metro | 844,456 | 96.9 | 27,136 | 3.1 | 871,592 |
| Small and Medium Metro (Group3) | Large - Other | 1,782,022 | 98.6 | 25,491 | 1.4 | 1,807,513 |
| Alamo Area Council of Governments | 1-5,000 | | | | | |
| Alamo Area Council of Governments | 5,001-20,000 | 66,579 | 99.9 | 34 | 0.1 | 66,613 |
| Alamo Area Council of Governments | 20,001-100,000 | 204,545 | 99.9 | 215 | 0.1 | 204,760 |
| Ark-Tex Council of Governments | 1-5,000 | 531 | 100.0 | 0 | 0.0 | 531 |
| Ark-Tex Council of Governments | 5,001-20,000 | 36,728 | 100.0 | 2 | 0.0 | 36,730 |
| Ark-Tex Council of Governments | 20,001-100,000 | 116,084 | 99.9 | 59 | 0.1 | 116,143 |
| Brazos Valley Council of Governments | 1-5,000 | | | | | |
| Brazos Valley Council of Governments | 5,001-20,000 | 31,354 | 99.7 | 101 | 0.3 | 31,455 |
| Brazos Valley Council of Governments | 20,001-100,000 | 30,481 | 99.6 | 123 | 0.4 | 30,604 |
| Capital Area Planning Council | 1-5,000 | | | | | |
| Capital Area Planning Council | 5,001-20,000 | 21,783 | 99.8 | 35 | 0.2 | 21,818 |
| Capital Area Planning Council | 20,001-100,000 | 122,114 | 99.9 | 64 | 0.1 | 122,178 |
| Central Texas Council of Governments | 1-5,000 | 22,232 | 100.0 | 2 | 0.0 | 22,234 |
| Central Texas Council of Governments | 5,001-20,000 | 50,107 | 100.0 | 16 | 0.0 | 50,123 |
| Central Texas Council of Governments | 20,001-100,000 | 75,729 | 99.9 | 54 | 0.1 | 75,783 |
| Coastal Bend Council of Governments | 1-5,000 | 612 | 100.0 | 0 | 0.0 | 612 |
| Coastal Bend Council of Governments | 5,001-20,000 | 17,624 | 99.6 | 63 | 0.4 | 17,687 |
| Coastal Bend Council of Governments | 20,001-100,000 | 126,419 | 99.8 | 244 | 0.2 | 126,663 |
| Concho Valley Council of Governments | 1-5,000 | 21,300 | 99.7 | 61 | 0.3 | 21,361 |
| Concho Valley Council of Governments | 5,001-20,000 | 3,907 | 99.9 | 5 | 0.1 | 3,912 |
| Concho Valley Council of Governments | 20,001-100,000 | | | | | |
| Deep East Texas Council of Governments | 1-5,000 | | | | | |
| Deep East Texas Council of Governments | 5,001-20,000 | 22,072 | 99.2 | 188 | 0.8 | 22,260 |
| Deep East Texas Council of Governments | 20,001-100,000 | 362,679 | 99.7 | 1,063 | 0.3 | 363,742 |
| East Texas Council of Governments | 1-5,000 | | | | | |
| East Texas Council of Governments | 5,001-20,000 | 79,543 | 100.0 | 4 | 0.0 | 79,547 |
| East Texas Council of Governments | 20,001-100,000 | 170,923 | 99.9 | 148 | 0.1 | 171,071 |
| Golden Crescent Regional Planning Com. | 1-5,000 | | | | | |
| Golden Crescent Regional Planning Com. | 5,001-20,000 | 36,775 | 99.8 | 66 | 0.2 | 36,841 |

| Regional Group | Population Category | 1998 Residential & Business Lines | | | | |
|---|---------------------|-----------------------------------|-------|-------|-----|-----------|
| | | ILEC | % | CLEC | % | Total |
| Golden Crescent Regional Planning Com. | 20,001-100,000 | 57,635 | 99.8 | 88 | 0.2 | 57,723 |
| Heart of Texas Council of Governments | 1-5,000 | | | | | |
| Heart of Texas Council of Governments | 5,001-20,000 | 57,714 | 99.9 | 46 | 0.1 | 57,760 |
| Heart of Texas Council of Governments | 20,001-100,000 | 35,690 | 99.8 | 54 | 0.2 | 35,744 |
| Houston-Galveston Area Council | 1-5,000 | | | | | |
| Houston-Galveston Area Council | 5,001-20,000 | 10,747 | 99.4 | 70 | 0.6 | 10,817 |
| Houston-Galveston Area Council | 20,001-100,000 | 305,197 | 98.2 | 5,726 | 1.8 | 310,923 |
| Middle Rio Grande Development Council | 1-5,000 | 7,260 | 99.8 | 16 | 0.2 | 7,276 |
| Middle Rio Grande Development Council | 5,001-20,000 | 10,566 | 99.8 | 23 | 0.2 | 10,589 |
| Middle Rio Grande Development Council | 20,001-100,000 | 47,360 | 99.9 | 57 | 0.1 | 47,417 |
| North Central Texas Council of Gov'ts | 1-5,000 | | | | | |
| North Central Texas Council of Gov'ts | 5,001-20,000 | 30,759 | 99.9 | 20 | 0.1 | 30,779 |
| North Central Texas Council of Gov'ts | 20,001-100,000 | 1,044,665 | 99.9 | 873 | 0.1 | 1,045,538 |
| North Texas Regional Planning Com. | 1-5,000 | 10,397 | 99.4 | 59 | 0.6 | 10,456 |
| North Texas Regional Planning Com. | 5,001-20,000 | 49,364 | 99.0 | 522 | 1.0 | 49,886 |
| North Texas Regional Planning Com. | 20,001-100,000 | | | | | |
| Panhandle Regional Planning Commission | 1-5,000 | 17,395 | 91.1 | 1,706 | 8.9 | 19,101 |
| Panhandle Regional Planning Commission | 5,001-20,000 | 59,910 | 97.4 | 1,602 | 2.6 | 61,512 |
| Panhandle Regional Planning Commission | 20,001-100,000 | 36,776 | 98.4 | 596 | 1.6 | 37,372 |
| Permian Basin Regional Planning Com. | 1-5,000 | 7,664 | 99.8 | 15 | 0.2 | 7,679 |
| Permian Basin Regional Planning Com. | 5,001-20,000 | 45,037 | 98.8 | 551 | 1.2 | 45,588 |
| Permian Basin Regional Planning Com. | 20,001-100,000 | 15,079 | 98.6 | 216 | 1.4 | 15,295 |
| Rio Grande Council of Governments | 1-5,000 | 6,665 | 100.0 | 0 | 0.0 | 6,665 |
| Rio Grande Council of Governments | 5,001-20,000 | 286 | 98.3 | 5 | 1.7 | 291 |
| Rio Grande Council of Governments | 20,001-100,000 | | | | | |
| South Plains Association of Governments | 1-5,000 | 3,827 | 99.8 | 7 | 0.2 | 3,834 |
| South Plains Association of Governments | 5,001-20,000 | 30,595 | 99.7 | 101 | 0.3 | 30,696 |
| South Plains Association of Governments | 20,001-100,000 | 31,169 | 99.0 | 327 | 1.0 | 31,496 |
| South Texas Development Council | 1-5,000 | 2,520 | 99.5 | 12 | 0.5 | 2,532 |
| South Texas Development Council | 5,001-20,000 | 10,150 | 99.9 | 12 | 0.1 | 10,162 |
| South Texas Development Council | 20,001-100,000 | 16,461 | 99.7 | 44 | 0.3 | 16,505 |
| Texoma Council of Governments | 1-5,000 | | | | | |
| Texoma Council of Governments | 5,001-20,000 | | | | | |
| Texoma Council of Governments | 20,001-100,000 | 33,544 | 99.9 | 30 | 0.1 | 33,574 |
| West Central Texas Council of Gov'ts | 1-5,000 | 22,465 | 99.9 | 13 | 0.1 | 22,478 |
| West Central Texas Council of Gov'ts | 5,001-20,000 | 80,299 | 99.7 | 246 | 0.3 | 80,545 |
| West Central Texas Council of Gov'ts | 20,001-100,000 | 20,361 | 99.8 | 34 | 0.2 | 20,395 |

12,135,113 98.0

248,166 2.0

12,383,279

Table 36 – Comparison of 1999 ILEC and CLEC Access Lines

| Regional Group | Population Category | 1999 Residential & Business Lines | | | | |
|--|---------------------|-----------------------------------|------|---------|------|-----------|
| | | ILEC | % | CLEC | % | Total |
| Large Metro (Group 1) | Over 600,000 | 5,908,139 | 91.8 | 530,393 | 8.2 | 6,438,532 |
| Suburban (Group 2) | Near Metro | 895,389 | 88.6 | 115,644 | 11.4 | 1,011,033 |
| Small and Medium Metro (Group3) | Other Large | 1,846,335 | 94.7 | 102,685 | 5.3 | 1,949,020 |
| Alamo Area Council of Governments | 1-5,000 | | | | | |
| Alamo Area Council of Governments | 5,001-20,000 | 69,611 | 99.2 | 536 | 0.8 | 70,147 |
| Alamo Area Council of Governments | 20,001-100,000 | 215,998 | 99.3 | 1,472 | 0.7 | 217,470 |
| Ark-Tex Council of Governments | 1-5,000 | 550 | 77.9 | 156 | 22.1 | 706 |
| Ark-Tex Council of Governments | 5,001-20,000 | 36,535 | 99.0 | 387 | 1.0 | 36,922 |
| Ark-Tex Council of Governments | 20,001-100,000 | 121,241 | 99.1 | 1,117 | 0.9 | 122,358 |
| Brazos Valley Council of Governments | 1-5,000 | | | | | |
| Brazos Valley Council of Governments | 5,001-20,000 | 32,617 | 98.2 | 598 | 1.8 | 33,215 |
| Brazos Valley Council of Governments | 20,001-100,000 | 32,002 | 97.3 | 874 | 2.7 | 32,876 |
| Capital Area Planning Council | 1-5,000 | | | | | |
| Capital Area Planning Council | 5,001-20,000 | 22,995 | 97.6 | 556 | 2.4 | 23,551 |
| Capital Area Planning Council | 20,001-100,000 | 129,578 | 99.2 | 984 | 0.8 | 130,562 |
| Central Texas Council of Governments | 1-5,000 | 23,477 | 99.8 | 58 | 0.2 | 23,535 |
| Central Texas Council of Governments | 5,001-20,000 | 51,408 | 99.3 | 353 | 0.7 | 51,761 |
| Central Texas Council of Governments | 20,001-100,000 | 79,762 | 99.2 | 631 | 0.8 | 80,393 |
| Coastal Bend Council of Governments | 1-5,000 | 632 | 55.4 | 509 | 44.6 | 1,141 |
| Coastal Bend Council of Governments | 5,001-20,000 | 17,879 | 99.0 | 185 | 1.0 | 18,064 |
| Coastal Bend Council of Governments | 20,001-100,000 | 140,152 | 99.1 | 1,281 | 0.9 | 141,433 |
| Concho Valley Council of Governments | 1-5,000 | 21,278 | 98.6 | 301 | 1.4 | 21,579 |
| Concho Valley Council of Governments | 5,001-20,000 | 3,984 | 99.3 | 27 | 0.7 | 4,011 |
| Concho Valley Council of Governments | 20,001-100,000 | | | | | |
| Deep East Texas Council of Governments | 1-5,000 | | | | | |
| Deep East Texas Council of Governments | 5,001-20,000 | 22,775 | 96.3 | 879 | 3.7 | 23,654 |
| Deep East Texas Council of Governments | 20,001-100,000 | 378,217 | 98.7 | 5,156 | 1.3 | 383,373 |
| East Texas Council of Governments | 1-5,000 | | | | | |
| East Texas Council of Governments | 5,001-20,000 | 82,525 | 99.3 | 556 | 0.7 | 83,081 |
| East Texas Council of Governments | 20,001-100,000 | 180,258 | 99.1 | 1,647 | 0.9 | 181,905 |
| Golden Crescent Regional Planning Com. | 1-5,000 | | | | | |
| Golden Crescent Regional Planning Com. | 5,001-20,000 | 38,310 | 99.1 | 365 | 0.9 | 38,675 |
| Golden Crescent Regional Planning Com. | 20,001-100,000 | 59,392 | 98.8 | 733 | 1.2 | 60,125 |
| Heart of Texas Council of Governments | 1-5,000 | | | | | |
| Heart of Texas Council of Governments | 5,001-20,000 | 59,312 | 99.4 | 340 | 0.6 | 59,652 |
| Heart of Texas Council of Governments | 20,001-100,000 | 37,961 | 98.4 | 634 | 1.6 | 38,595 |
| Houston-Galveston Area Council | 1-5,000 | | | | | |
| Houston-Galveston Area Council | 5,001-20,000 | 11,166 | 95.5 | 522 | 4.5 | 11,688 |
| Houston-Galveston Area Council | 20,001-100,000 | 316,596 | 97.4 | 8,335 | 2.6 | 324,931 |
| Middle Rio Grande Development Council | 1-5,000 | 7,710 | 98.4 | 124 | 1.6 | 7,834 |
| Middle Rio Grande Development Council | 5,001-20,000 | 10,916 | 97.5 | 280 | 2.5 | 11,196 |
| Middle Rio Grande Development Council | 20,001-100,000 | 48,858 | 99.0 | 495 | 1.0 | 49,353 |
| North Central Texas Council of Gov'ts | 1-5,000 | | | | | |
| North Central Texas Council of Gov'ts | 5,001-20,000 | 32,756 | 98.0 | 683 | 2.0 | 33,439 |
| North Central Texas Council of Gov'ts | 20,001-100,000 | 1,084,092 | 99.3 | 8,014 | 0.7 | 1,092,106 |
| North Texas Regional Planning Com. | 1-5,000 | 10,500 | 93.8 | 698 | 6.2 | 11,198 |
| North Texas Regional Planning Com. | 5,001-20,000 | 51,030 | 97.8 | 1,167 | 2.2 | 52,197 |

| Regional Group | Population Category | 1999 Residential & Business Lines | | | | |
|---|---------------------|-----------------------------------|------|-------|------|--------|
| | | ILEC | % | CLEC | % | Total |
| North Texas Regional Planning Com. | 20,001-100,000 | | | | | |
| Panhandle Regional Planning Commission | 1-5,000 | 17,464 | 71.5 | 6,953 | 28.5 | 24,417 |
| Panhandle Regional Planning Commission | 5,001-20,000 | 59,657 | 93.9 | 3,865 | 6.1 | 63,522 |
| Panhandle Regional Planning Commission | 20,001-100,000 | 39,321 | 96.3 | 1,494 | 3.7 | 40,815 |
| Permian Basin Regional Planning Com. | 1-5,000 | 7,759 | 93.6 | 534 | 6.4 | 8,293 |
| Permian Basin Regional Planning Com. | 5,001-20,000 | 45,454 | 97.4 | 1,234 | 2.6 | 46,688 |
| Permian Basin Regional Planning Com. | 20,001-100,000 | 15,243 | 94.8 | 828 | 5.2 | 16,071 |
| Rio Grande Council of Governments | 1-5,000 | 7,016 | 98.4 | 117 | 1.6 | 7,133 |
| Rio Grande Council of Governments | 5,001-20,000 | 285 | 75.8 | 91 | 24.2 | 376 |
| Rio Grande Council of Governments | 20,001-100,000 | | | | | |
| South Plains Association of Governments | 1-5,000 | 3,874 | 97.1 | 117 | 2.9 | 3,991 |
| South Plains Association of Governments | 5,001-20,000 | 30,969 | 98.6 | 449 | 1.4 | 31,418 |
| South Plains Association of Governments | 20,001-100,000 | 31,774 | 96.2 | 1,256 | 3.8 | 33,030 |
| South Texas Development Council | 1-5,000 | 2,528 | 90.2 | 276 | 9.8 | 2,804 |
| South Texas Development Council | 5,001-20,000 | 10,226 | 95.5 | 487 | 4.5 | 10,713 |
| South Texas Development Council | 20,001-100,000 | 16,887 | 97.6 | 409 | 2.4 | 17,296 |
| Texoma Council of Governments | 1-5,000 | | | | | |
| Texoma Council of Governments | 5,001-20,000 | | | | | |
| Texoma Council of Governments | 20,001-100,000 | 35,594 | 99.1 | 315 | 0.9 | 35,909 |
| West Central Texas Council of Gov'ts | 1-5,000 | 22,889 | 98.0 | 471 | 2.0 | 23,360 |
| West Central Texas Council of Gov'ts | 5,001-20,000 | 81,972 | 98.4 | 1,304 | 1.6 | 83,276 |
| West Central Texas Council of Gov'ts | 20,001-100,000 | 21,155 | 96.9 | 684 | 3.1 | 21,839 |

12,532,003 93.9

810,259 6.1

13,342,262

Source: Public Utility Commission

Table 37 – Comparison of 1998 ILEC and CLEC Revenues

| Regional Group | Population Category | 1998 Residential & Business Revenue | | | | |
|--|---------------------|-------------------------------------|-------|------------|------|---------------|
| | | ILEC | % | CLEC | % | Total |
| Large Metro (Group 1) | Over 600,000 | 1,140,090,685 | 95.3 | 56,098,286 | 4.7 | 1,196,188,971 |
| Suburban (Group 2) | Near Metro | 140,049,684 | 91.1 | 13,636,940 | 8.9 | 153,686,624 |
| Small and Medium Metro (Group3) | Other Large | 312,839,808 | 96.7 | 10,539,058 | 3.3 | 323,378,865 |
| Alamo Area Council of Governments | 1-5,000 | | | | | |
| Alamo Area Council of Governments | 5,001-20,000 | 10,150,390 | 99.8 | 24,834 | 0.2 | 10,175,224 |
| Alamo Area Council of Governments | 20,001-100,000 | 36,694,154 | 99.8 | 68,016 | 0.2 | 36,762,170 |
| Ark-Tex Council of Governments | 1-5,000 | 139,141 | 99.8 | 266 | 0.2 | 139,407 |
| Ark-Tex Council of Governments | 5,001-20,000 | 5,342,550 | 100.0 | 0 | 0.0 | 5,342,550 |
| Ark-Tex Council of Governments | 20,001-100,000 | 16,043,924 | 99.9 | 16,077 | 0.1 | 16,060,001 |
| Brazos Valley Council of Governments | 1-5,000 | | | | | |
| Brazos Valley Council of Governments | 5,001-20,000 | 4,084,422 | 99.3 | 29,729 | 0.7 | 4,114,151 |
| Brazos Valley Council of Governments | 20,001-100,000 | 3,273,953 | 98.6 | 46,811 | 1.4 | 3,320,764 |
| Capital Area Planning Council | 1-5,000 | | | | | |
| Capital Area Planning Council | 5,001-20,000 | 2,461,242 | 100.0 | 777 | 0.0 | 2,462,019 |
| Capital Area Planning Council | 20,001-100,000 | 16,537,940 | 99.9 | 20,738 | 0.1 | 16,558,678 |
| Central Texas Council of Governments | 1-5,000 | 175,074 | 99.8 | 313 | 0.2 | 175,387 |
| Central Texas Council of Governments | 5,001-20,000 | 3,688,940 | 99.9 | 3,311 | 0.1 | 3,692,251 |
| Central Texas Council of Governments | 20,001-100,000 | 3,345,020 | 99.6 | 13,571 | 0.4 | 3,358,591 |
| Coastal Bend Council of Governments | 1-5,000 | 72,799 | 100.0 | 0 | 0.0 | 72,799 |
| Coastal Bend Council of Governments | 5,001-20,000 | 2,413,105 | 99.4 | 14,416 | 0.6 | 2,427,521 |
| Coastal Bend Council of Governments | 20,001-100,000 | 20,453,845 | 99.8 | 39,376 | 0.2 | 20,493,221 |
| Concho Valley Council of Governments | 1-5,000 | 2,347,822 | 99.5 | 11,963 | 0.5 | 2,359,785 |
| Concho Valley Council of Governments | 5,001-20,000 | 492,341 | 99.9 | 432 | 0.1 | 492,773 |
| Concho Valley Council of Governments | 20,001-100,000 | | | | | |
| Deep East Texas Council of Governments | 1-5,000 | | | | | |
| Deep East Texas Council of Governments | 5,001-20,000 | 2,360,648 | 95.4 | 115,098 | 4.6 | 2,475,746 |
| Deep East Texas Council of Governments | 20,001-100,000 | 59,525,362 | 98.6 | 816,367 | 1.4 | 60,341,729 |
| East Texas Council of Governments | 1-5,000 | | | | | |
| East Texas Council of Governments | 5,001-20,000 | 7,339,735 | 100.0 | 1,835 | 0.0 | 7,341,570 |
| East Texas Council of Governments | 20,001-100,000 | 17,586,922 | 99.7 | 49,858 | 0.3 | 17,636,780 |
| Golden Crescent Regional Planning Com. | 1-5,000 | | | | | |
| Golden Crescent Regional Planning Com. | 5,001-20,000 | 5,982,958 | 99.6 | 24,485 | 0.4 | 6,007,443 |
| Golden Crescent Regional Planning Com. | 20,001-100,000 | 10,022,442 | 99.6 | 39,569 | 0.4 | 10,062,011 |
| Heart of Texas Council of Governments | 1-5,000 | | | | | |
| Heart of Texas Council of Governments | 5,001-20,000 | 8,727,865 | 99.8 | 17,654 | 0.2 | 8,745,519 |
| Heart of Texas Council of Governments | 20,001-100,000 | 4,280,287 | 92.2 | 362,684 | 7.8 | 4,642,971 |
| Houston-Galveston Area Council | 1-5,000 | | | | | |
| Houston-Galveston Area Council | 5,001-20,000 | 1,745,908 | 98.8 | 20,551 | 1.2 | 1,766,459 |
| Houston-Galveston Area Council | 20,001-100,000 | 53,536,054 | 77.4 | 15,646,508 | 22.6 | 69,182,562 |
| Middle Rio Grande Development Council | 1-5,000 | 927,210 | 99.4 | 5,262 | 0.6 | 932,471 |
| Middle Rio Grande Development Council | 5,001-20,000 | 1,823,386 | 99.6 | 7,744 | 0.4 | 1,831,130 |
| Middle Rio Grande Development Council | 20,001-100,000 | 7,484,710 | 99.8 | 12,889 | 0.2 | 7,497,599 |
| North Central Texas Council of Gov'ts | 1-5,000 | | | | | |
| North Central Texas Council of Gov'ts | 5,001-20,000 | 467,797 | 99.0 | 4,651 | 1.0 | 472,448 |
| North Central Texas Council of Gov'ts | 20,001-100,000 | 185,095,079 | 99.7 | 537,406 | 0.3 | 185,632,485 |
| North Texas Regional Planning Com. | 1-5,000 | 1,104,402 | 98.9 | 12,002 | 1.1 | 1,116,404 |

| Regional Group | Population Category | 1998 Residential & Business Revenue | | | | |
|---|---------------------|-------------------------------------|-------|---------|-----|------------|
| | | ILEC | % | CLEC | % | Total |
| North Texas Regional Planning Com. | 5,001-20,000 | 7,396,129 | 95.5 | 345,013 | 4.5 | 7,741,142 |
| North Texas Regional Planning Com. | 20,001-100,000 | | | | | |
| Panhandle Regional Planning Commission | 1-5,000 | 2,433,234 | 99.2 | 19,593 | 0.8 | 2,452,827 |
| Panhandle Regional Planning Commission | 5,001-20,000 | 8,822,532 | 98.1 | 174,631 | 1.9 | 8,997,163 |
| Panhandle Regional Planning Commission | 20,001-100,000 | 6,203,179 | 98.5 | 95,632 | 1.5 | 6,298,811 |
| Permian Basin Regional Planning Com. | 1-5,000 | 1,194,487 | 99.6 | 4,266 | 0.4 | 1,198,754 |
| Permian Basin Regional Planning Com. | 5,001-20,000 | 7,009,440 | 98.3 | 123,384 | 1.7 | 7,132,824 |
| Permian Basin Regional Planning Com. | 20,001-100,000 | 2,756,921 | 98.7 | 37,256 | 1.3 | 2,794,177 |
| Rio Grande Council of Governments | 1-5,000 | 726,415 | 100.0 | 302 | 0.0 | 726,717 |
| Rio Grande Council of Governments | 5,001-20,000 | 47,354 | 97.3 | 1,334 | 2.7 | 48,688 |
| Rio Grande Council of Governments | 20,001-100,000 | | | | | |
| South Plains Association of Governments | 1-5,000 | 527,681 | 99.9 | 762 | 0.1 | 528,443 |
| South Plains Association of Governments | 5,001-20,000 | 4,642,442 | 97.0 | 142,889 | 3.0 | 4,785,331 |
| South Plains Association of Governments | 20,001-100,000 | 4,476,652 | 97.8 | 101,288 | 2.2 | 4,577,940 |
| South Texas Development Council | 1-5,000 | 447,893 | 99.9 | 576 | 0.1 | 448,469 |
| South Texas Development Council | 5,001-20,000 | 1,396,606 | 99.8 | 2,633 | 0.2 | 1,399,239 |
| South Texas Development Council | 20,001-100,000 | 2,049,154 | 99.8 | 3,544 | 0.2 | 2,052,698 |
| Texoma Council of Governments | 1-5,000 | | | | | |
| Texoma Council of Governments | 5,001-20,000 | | | | | |
| Texoma Council of Governments | 20,001-100,000 | 4,867,019 | 99.8 | 9,900 | 0.2 | 4,876,919 |
| West Central Texas Council of Gov'ts | 1-5,000 | 3,595,314 | 99.9 | 2,297 | 0.1 | 3,597,611 |
| West Central Texas Council of Gov'ts | 5,001-20,000 | 10,963,546 | 99.5 | 51,243 | 0.5 | 11,014,789 |
| West Central Texas Council of Gov'ts | 20,001-100,000 | 2,508,395 | 99.7 | 8,221 | 0.3 | 2,516,616 |

2,160,771,998 95.6 99,364,239 4.4 2,260,136,236

Table 38 – Comparison of 1999 ILEC and CLEC Revenues

| Regional Group | Population Category | 1999 Residential & Business Revenue | | | | |
|--|---------------------|-------------------------------------|------|-------------|------|---------------|
| | | ILEC | % | CLEC | % | Total |
| Large Metro (Group 1) | Over 600,000 | 1,187,016,172 | 88.3 | 156,742,378 | 11.7 | 1,343,758,549 |
| Suburban (Group 2) | Near Metros | 149,507,742 | 84.6 | 27,280,185 | 15.4 | 176,787,927 |
| Small and Medium Metro (Group3) | Other Large | 336,148,683 | 95.0 | 17,779,206 | 5.0 | 353,927,888 |
| Alamo Area Council of Governments | 1-5,000 | | | | | |
| Alamo Area Council of Governments | 5,001-20,000 | 11,004,238 | 99.7 | 32,274 | 0.3 | 11,036,512 |
| Alamo Area Council of Governments | 20,001-100,000 | 39,856,364 | 99.4 | 243,497 | 0.6 | 40,099,861 |
| Ark-Tex Council of Governments | 1-5,000 | 147,933 | 85.9 | 24,382 | 14.1 | 172,315 |
| Ark-Tex Council of Governments | 5,001-20,000 | 5,529,296 | 99.9 | 6,907 | 0.1 | 5,536,203 |
| Ark-Tex Council of Governments | 20,001-100,000 | 16,798,931 | 99.6 | 72,839 | 0.4 | 16,871,770 |
| Brazos Valley Council of Governments | 1-5,000 | | | | | |
| Brazos Valley Council of Governments | 5,001-20,000 | 4,481,279 | 98.8 | 54,569 | 1.2 | 4,535,848 |
| Brazos Valley Council of Governments | 20,001-100,000 | 3,498,711 | 96.8 | 114,756 | 3.2 | 3,613,467 |
| Capital Area Planning Council | 1-5,000 | | | | | |
| Capital Area Planning Council | 5,001-20,000 | 2,702,055 | 99.9 | 2,639 | 0.1 | 2,704,694 |
| Capital Area Planning Council | 20,001-100,000 | 18,906,240 | 99.8 | 39,228 | 0.2 | 18,945,468 |
| Central Texas Council of Governments | 1-5,000 | 188,130 | 96.4 | 6,953 | 3.6 | 195,083 |
| Central Texas Council of Governments | 5,001-20,000 | 3,886,306 | 99.9 | 5,626 | 0.1 | 3,891,932 |
| Central Texas Council of Governments | 20,001-100,000 | 3,646,921 | 99.1 | 32,229 | 0.9 | 3,679,150 |
| Coastal Bend Council of Governments | 1-5,000 | 76,409 | 65.4 | 40,445 | 34.6 | 116,854 |
| Coastal Bend Council of Governments | 5,001-20,000 | 2,494,211 | 98.7 | 32,354 | 1.3 | 2,526,565 |
| Coastal Bend Council of Governments | 20,001-100,000 | 24,169,125 | 99.3 | 173,473 | 0.7 | 24,342,598 |
| Concho Valley Council of Governments | 1-5,000 | 2,438,134 | 98.5 | 37,837 | 1.5 | 2,475,971 |
| Concho Valley Council of Governments | 5,001-20,000 | 509,695 | 99.9 | 520 | 0.1 | 510,215 |
| Concho Valley Council of Governments | 20,001-100,000 | | | | | |
| Deep East Texas Council of Governments | 1-5,000 | | | | | |
| Deep East Texas Council of Governments | 5,001-20,000 | 2,623,498 | 93.7 | 175,910 | 6.3 | 2,799,408 |
| Deep East Texas Council of Governments | 20,001-100,000 | 64,637,771 | 98.0 | 1,347,748 | 2.0 | 65,985,519 |
| East Texas Council of Governments | 1-5,000 | | | | | |
| East Texas Council of Governments | 5,001-20,000 | 7,637,866 | 99.7 | 25,227 | 0.3 | 7,663,093 |
| East Texas Council of Governments | 20,001-100,000 | 18,896,151 | 87.8 | 420,828 | 2.2 | 19,317,080 |
| Golden Crescent Regional Planning Com. | 1-5,000 | | | | | |
| Golden Crescent Regional Planning Com. | 5,001-20,000 | 6,501,545 | 99.3 | 47,881 | 0.7 | 6,549,426 |
| Golden Crescent Regional Planning Com. | 20,001-100,000 | 10,679,028 | 99.5 | 49,139 | 0.5 | 10,728,167 |
| Heart of Texas Council of Governments | 1-5,000 | | | | | |
| Heart of Texas Council of Governments | 5,001-20,000 | 9,332,248 | 99.7 | 30,057 | 0.3 | 9,362,305 |
| Heart of Texas Council of Governments | 20,001-100,000 | 4,907,943 | 91.0 | 487,740 | 9.0 | 5,395,683 |
| Houston-Galveston Area Council | 1-5,000 | | | | | |
| Houston-Galveston Area Council | 5,001-20,000 | 1,890,412 | 99.1 | 17,125 | 0.9 | 1,907,536 |
| Houston-Galveston Area Council | 20,001-100,000 | 58,366,721 | 76.7 | 17,773,325 | 23.3 | 76,140,046 |
| Middle Rio Grande Development Council | 1-5,000 | 1,005,136 | 98.4 | 16,386 | 1.6 | 1,021,522 |
| Middle Rio Grande Development Council | 5,001-20,000 | 1,941,259 | 98.7 | 24,976 | 1.3 | 1,966,235 |
| Middle Rio Grande Development Council | 20,001-100,000 | 7,859,484 | 98.7 | 107,017 | 1.3 | 7,966,502 |
| North Central Texas Council of Gov'ts | 1-5,000 | | | | | |
| North Central Texas Council of Gov'ts | 5,001-20,000 | 576,771 | 97.0 | 17,677 | 3.0 | 594,448 |
| North Central Texas Council of Gov'ts | 20,001-100,000 | 199,114,966 | 99.5 | 966,023 | 0.5 | 200,080,990 |
| North Texas Regional Planning Com. | 1-5,000 | 1,153,738 | 96.1 | 47,422 | 3.9 | 1,201,160 |
| North Texas Regional Planning Com. | 5,001-20,000 | 8,014,638 | 92.0 | 692,698 | 8.0 | 8,707,336 |

| Regional Group | Population Category | 1999 Residential & Business Revenue | | | | |
|---|---------------------|-------------------------------------|------|---------|------|------------|
| | | ILEC | % | CLEC | % | Total |
| North Texas Regional Planning Com. | 20,001-100,000 | | | | | |
| Panhandle Regional Planning Commission | 1-5,000 | 2,490,847 | 94.9 | 132,773 | 5.1 | 2,623,620 |
| Panhandle Regional Planning Commission | 5,001-20,000 | 9,190,907 | 94.6 | 523,133 | 5.4 | 9,714,040 |
| Panhandle Regional Planning Commission | 20,001-100,000 | 7,077,551 | 94.9 | 380,662 | 5.1 | 7,458,212 |
| Permian Basin Regional Planning Com. | 1-5,000 | 1,298,189 | 99.0 | 12,763 | 1.0 | 1,310,952 |
| Permian Basin Regional Planning Com. | 5,001-20,000 | 7,354,664 | 97.9 | 158,446 | 2.1 | 7,513,110 |
| Permian Basin Regional Planning Com. | 20,001-100,000 | 2,905,050 | 94.8 | 160,565 | 5.2 | 3,065,615 |
| Rio Grande Council of Governments | 1-5,000 | 786,877 | 99.1 | 7,214 | 0.9 | 794,092 |
| Rio Grande Council of Governments | 5,001-20,000 | 48,825 | 88.5 | 6,320 | 11.5 | 55,145 |
| Rio Grande Council of Governments | 20,001-100,000 | | | | | |
| South Plains Association of Governments | 1-5,000 | 560,331 | 98.7 | 7,416 | 1.3 | 567,747 |
| South Plains Association of Governments | 5,001-20,000 | 4,951,372 | 94.4 | 292,095 | 5.6 | 5,243,467 |
| South Plains Association of Governments | 20,001-100,000 | 4,774,550 | 93.7 | 320,341 | 6.3 | 5,094,891 |
| South Texas Development Council | 1-5,000 | 466,467 | 98.3 | 8,167 | 1.7 | 474,634 |
| South Texas Development Council | 5,001-20,000 | 1,488,720 | 99.0 | 15,510 | 1.0 | 1,504,230 |
| South Texas Development Council | 20,001-100,000 | 2,104,456 | 95.4 | 100,478 | 4.6 | 2,204,934 |
| Texoma Council of Governments | 1-5,000 | | | | | |
| Texoma Council of Governments | 5,001-20,000 | | | | | |
| Texoma Council of Governments | 20,001-100,000 | 5,359,373 | 99.4 | 31,050 | 0.6 | 5,390,423 |
| West Central Texas Council of Gov'ts | 1-5,000 | 3,824,581 | 99.6 | 17,248 | 0.4 | 3,841,829 |
| West Central Texas Council of Gov'ts | 5,001-20,000 | 11,812,837 | 98.6 | 170,419 | 1.4 | 11,983,256 |
| West Central Texas Council of Gov'ts | 20,001-100,000 | 2,646,302 | 99.5 | 12,491 | 0.5 | 2,658,793 |

2,287,287,649 227,326,666 2,514,614,315

Source: Public Utility Commission

APPENDIX K: THE SWBT MEGA-ARBITRATION

ORIGINAL SOUTHWESTERN BELL TELEPHONE (SWBT) ARBITRATIONS: PUC DOCKET NOS. 16189, 16196, 16226, 16285 AND 16290.¹²³

In 1996, pursuant to the FTA, five would-be competitors filed for arbitration of interconnection issues with SWBT. To facilitate administration, the Commission consolidated the petitions of these companies into one proceeding, informally termed the “SWBT mega-arbitration.” In two different phases of hearings held in 1996 and 1997, the Commission heard testimony on issues that included performance standards, terms and conditions of reselling services and purchasing unbundled network elements (UNEs), services and elements that are subject to wholesale, reciprocal compensation, discounts for resold services, and prices for UNEs. The Commission issued its final awards in the mega-arbitration on September 30 and December 19, 1997; it also issued later clarifications of the awards. Some of the major issues decided in the SWBT mega-arbitration are as follows:

The use of Total Element Long Run Incremental Cost (TELRIC) is the appropriate methodology for pricing UNEs.

In its August 1996 local-competition rules, the Federal Communications Commission (FCC) decreed that state commissions should set UNE prices equal to the sum of the UNE’s TELRIC and a “reasonable” share of forward-looking common costs. Accordingly, the PUC adopted this methodology. In July 1997, however, the 8th Circuit Court of Appeals, in *Iowa Utilities Board*,¹²⁴ ruled that states are able to choose their own pricing methodology, rather than be required to use the TELRIC methodology mandated by the FCC. Nevertheless, this ruling had no effect on the PUC’s pricing methodology, because the PUC had developed an independent justification of the TELRIC methodology. The Commission determined that when retail-related costs such as

¹²³ *Petition of MFS Communications Company, Inc., for Arbitration of Pricing of Unbundled Loops*, Docket No. 16189 (Feb. 27, 1998); *Petition of Teleport Communications Group, Inc. for Arbitration to Establish an Interconnection Agreement*, Docket No. 16196, (Feb. 27, 1998); *Petition of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement Between AT&T and Southwestern Bell Telephone Company*, Docket No. 16226, (Feb. 27, 1998); *Petition of MCI Telecommunication Corporation and Its Affiliate MCI Metro Access Transmission Services, Inc. for Arbitration and Request for Mediation Under the Federal Telecommunications Act of 1996*, Docket No. 16285, (Feb. 27, 1998); *Petition of American Communications Services, Inc. and Its Local Exchange Operating Subsidiaries for Arbitration with SWBT Pursuant to the Telecommunications Act of 1996*, Docket No. 16290 (Feb. 27, 1998).

¹²⁴ *Iowa Utilities Board v. FCC*, 109 F.3d 418 (8th Cir. 1996). (In 1999 the U.S. Supreme Court upheld this ruling in *AT&T Corp. v. Iowa Utilities Board*, 525 U.S. 366, 371-372, 119 S. Ct. 721, 726-27 (1999)).

advertising and billing were not considered, the total forward-looking economic costs recovered by a company with prices equal to TELRIC plus an allocation of economic common costs would be equal to the total forward-looking economic costs recovered by a company with prices equal to the total service long run incremental cost (TSLRIC) plus an allocation of economic common costs. Because the Commission has a cost rule that provides guidelines for calculating TSLRIC and forward-looking common costs, and this standard is referred to multiple times in PURA, the Commission determined that it would be appropriate to mandate the use of TELRIC in calculating prices for UNEs. The Commission used this reasoning to set permanent TELRIC-based prices in the second Phase of the SWBT mega-arbitration.

The loop UNE should be further unbundled into distribution and feeder portions.

Believing that it would be economically prudent and competitively beneficial to allow subloop unbundling, the Commission exercised the option given by the FCC to further unbundle the loop element into feeder and distribution portions. Specifically, the Commission required SWBT to offer as unbundled elements (1) in the distribution segment, the loop segment extending between a remote-terminal site and the end-user's premises; (2) in the feeder segment, only the dark fiber and the 4-wire copper cable conditioned for DS-1 service; and (3) the digital loop carrier (a device for multiplexing, or combining, communication channels).

SWBT should perform the work necessary to connect combinations of UNEs ordered by competitive carriers, and should be compensated for this work.

The Commission held SWBT to its voluntary commitment to combine UNEs in lieu of providing competitors direct access to its network, and set rates that allowed SWBT to recover the forward-looking economic cost of performing the work for the CLECs.

SWBT must offer all retail services for resale at a 21.6% avoided cost discount.

The Commission determined that if SWBT were to provide service on a wholesale basis only, it would avoid an average of 21.6% of its current costs. In addition, the Commission determined that this discount should apply to all retail telecommunications service offerings, except promotional offerings of 90 days or less.

Each local service provider, including SWBT, should absorb its own costs of providing interim number portability (INP).

The Commission determined that few customers would be willing to change local-service providers without INP. The Commission also recognized that all facilities-based local service providers would have to incur (or already had incurred) costs related to implementing INP.

Later, the FCC decreed that all ILECs serving in the nation's 100 largest metropolitan statistical areas must implement permanent local number portability (LNP). Such implementation occurred in five phases, ending December 31, 1998. ILECs serving smaller communities are required to provide LNP if they receive a bona fide request. ILECs are allowed to recover their LNP implementation costs by assessing a monthly flat

fee on all of their access lines, for a period not to exceed five years. SWBT's monthly fee is \$.33 per line.

SWBT must provide real-time electronic interfaces for operation support system (OSS) functions.

The Commission determined that to level the competitive playing field, competitors need access to the same types of electronic billing, ordering, and provisioning systems that SWBT uses for itself in interactions with its own customers on a real-time basis at parity with SWBT's access. Making such systems available to competitors was extraordinarily controversial because it required modifications to SWBT's systems to handle orders from outside parties using different computer applications. SWBT worked with the petitioners to develop new systems and modify existing ones to give CLECs billing, ordering, and provisioning parity with SWBT. Rates, terms, conditions, and implementation schedules were set for certain functions, weighing forward-looking economic concerns with the difficulties of designing the necessary systems.

To win approval of its 271 application, SWBT had to demonstrate to the Commission and the FCC that its fully electronic OSS could properly handle commercial volumes of service orders of various types from different providers. Even now, SWBT's OSS continues to be monitored and modified, in response to input from the Commission staff and competitors. Penalties are imposed on SWBT if it fails to meet OSS-related performance measures; it also is required to upgrade its OSS software as new technological enhancements are developed and industry standards change.

CLECs requesting an electronic interface with SWBT are subject to a monthly charge, but SWBT agreed to waive this charge for three years as a condition of its 1999 merger with Ameritech. CLECs still pay a fee for each service order placed using SWBT's OSS.

The company using the switch port is entitled to all toll revenue associated with that switch port.

The Commission determined that when a competitive provider purchases a switch port from SWBT, the competitor is entitled to all access revenues associated with the UNEs purchased, along with toll revenues.

CLECs who opt into another CLEC's agreement with SWBT can, on a limited basis, "pick and choose" provisions to opt into.

Most favored nation (MFN) provisions allow a CLEC to choose to place parts of an agreement another CLEC may have made with SWBT into its own agreement with SWBT. Although the FCC interpreted such provisions as allowing a CLEC to select small bits and pieces from other contracts, the U.S. EIGHTH Circuit Court of Appeals rejected this interpretation in 1997. In the Commission's mega-arbitration negotiations, however, SWBT offered to allow a CLEC to opt into another CLEC's contract with SWBT so long as it opted into large sections of the contract, rather than only individual rates, terms, or conditions. The Commission incorporated this provision into its order, and in 1998 applied this principle in the SWBT vs. Waller Creek arbitration. In 1999 the

U.S. Supreme Court partially reversed the Eighth Circuit's 1997 order, ruling that an ILEC can only require a CLEC to accept those terms in an existing agreement that are "legitimately related" to the desired provision. In August of 2000, the U.S. Fifth Circuit Court of Appeals upheld the Commission's "pick and choose" policy, ruling that the SWBT vs. Waller Creek arbitration award was consistent with the interpretation enunciated by the U.S. Supreme Court.¹²⁵

¹²⁵ *Southwestern Bell Telephone Company v. Waller Creek Communications, Inc.*; *Public Utility Commission of Texas*, No. 99-50752, 2000 U.S. App. (5th Cir., August 21, 2000); *AT&T Corp. v. Iowa Utilities Board*, 525 U.S. 366, 371-372, 119 S. Ct. 721, 726-27 (1999).

APPENDIX L: PROCEEDINGS TO IMPLEMENT 1999 TEXAS LEGISLATION

Commission Proceedings to implement telecommunications legislation passed by the Texas Legislature in 1999 include the proceedings listed below.

Texas Universal Service Fund

Project No. 21162: Project to Establish Procedures for Providing USF Support for Schools Pursuant to PURA §56.028

Adopted 9/23/99. The purpose of this project was to establish an interim procedure for small and rural incumbent local exchange companies (SRILECs) to receive Texas Universal Service Funds (TUSF) pursuant to PURA § 56.028, relating to universal service fund reimbursements for certain IntraLATA service.¹²⁶ The SRILECs were able to receive funds through a permanent mechanism implemented upon adoption of P.U.C. SUBST. R. § 26.410 in Project No. 21163.

Project No. 21163: Rulemaking to Amend the Texas Universal Service Fund Rules to Comply with SB 560 pursuant to PURA, §§ 56.021, 56.023, 56.024, 56.026, 56.028, and 56.072

Adopted 4/27/00. The purpose of this project was to amend the Texas Universal Service Fund (TUSF) rules to comply with SB 560. The Commission adopted amendments to P.U.C. SUBST. R. §§ 26.401, 26.403, 26.404, 26.413, 26.414, 26.415, 26.417, and 26.418, and added new § 26.410 relating to the TUSF. These revisions affect all telecommunications carriers that receive TUSF support. The revisions include adding the method used to determine support allocation when unbundled network elements (UNEs) are used to provision service, clarify discounts that are applied to certain services, and establish the circumstances in which an eligible telecommunications provider (ETP) designation can be relinquished.

Affiliate Issues

Project No. 21164: Rulemaking to Address Affiliate Issues for Telecommunications Service Providers Pursuant to PURA §§54.102, 60.164, and 60.165

Adopted 8/24/00. This project addressed the structural and transactional requirements for a holder of a CCN and its affiliated telecommunications service providers applying for or

¹²⁶ Request for information and comments (9/8/99) and Order Establishing Interim Procedures for the Disbursement of Texas Universal Service Funds Pursuant to PURA §56.028 (10/4/99).

holding a COA or SPCOA. Staff published initial questions and received comments on January 18, 2000. A public workshop was held January 23, 2000 on staff's proposed strawman rule. Parties filed post-workshop comments on March 3, 2000. After evaluating the parties' comments, staff decided to merge this project with Project No. 21165 and consider all affiliate matters concurrently. Staff issued revised questions on June 9, 2000.

Conformance Rule Review

Project No. 21160: Rulemaking to Address PURA Chapter 59 Withdrawal of Election and Switched Access Rates; PURA, Sections 59.021, 59.024, and 59.025; [Merged with] Project No. 21169: Review of Substantive Rules to Conform to SB 560

Approved 9/7/00 (§26.5) and 11/1/00 (§26.274). The purpose of Project No. 21169 was to make minor conforming changes to P.U.C. Substantive Rules that, although affected by the changes to PURA created with SB 560, were not sufficiently affected as to require the initiation of separate rulemaking projects. Project No. 21160 was merged with Project No. 21169.

Publication of the first of two sets of proposed rule changes was delayed to coordinate with the publication of several rules relating to Chapter 58, Incentive Regulation. The first set, containing additions and modifications to P.U.C. SUBST. R. § 26.5, Definitions, was adopted in September 2000. The second set, containing minor conforming changes to P.U.C. SUBST. R. §26.274, Imputation, was adopted in November, 2000.

Workforce Diversity

Project No. 21170: Compliance Proceeding for Utilities' 5-Year Plans to Enhance Workforce Diversity; PURA, § 52.256

Filings received 1/1/00. This project established a mechanism for telecommunications utilities to file workforce diversity plans as established in SB 560.

Project No. 22166: Rulemaking to Establish Procedures for Telecommunication Utilities' Annual Report of Workforce Diversity

Adopted 6/29/00. The purpose of this project was to establish procedures for telecommunications utilities to comply with the new reporting requirement regarding workforce diversity.

Dark Fiber

Project No. 21171: Rulemaking to Address Municipalities or Certain Municipal Electric Systems Leasing Excess Capacity of Fiber Optic Cable Facilities; PURA § 54.2025

Closed July 17, 2000. This project addressed PURA § 54.2025, which provides that a municipality, or certain municipal electric systems may lease excess capacity of fiber optic cable facilities (dark fiber), so long as it is done on a nondiscriminatory, nonpreferential basis. A rule was not necessary at the time. Disputes are handled on a case-by-case basis.

CLEC Access Charges

Project No. 21174: Rulemaking to Address COA/SPCOA Switched Access Rates; PURA § 52.155

Adopted 6/29/00. The purpose of this project was to address COA/SPCOA switched access rates. The project established procedures for the Commission's review of switched access rates in excess of the rates charged by the territory's CCN holder.

Telecom Bill Simplification

Project No. 22130: Rulemaking to Implement PURA § 55.012, Relating to Telecommunications Bill Format

Adopted 7/26/00. This project, which was split off from Project No. 21423, Telephone Customer Protection Standards, revised P.U.C. SUBST. R. § 26.25, Issuance and Format of Bills, to implement PURA § 55.012. The new PURA provision calls for LECs to issue simplified, easy-to-understand bills for local exchange telephone service.

New P.U.C. SUBST. R. § 26.25, which replaces the previous version of P.U.C. SUBST. R. § 26.25, requires certificated telecommunications utilities (telecommunication utilities holding a CCN, COA, or SPCOA) to comply with minimum bill information and format guidelines, and to clarify information disseminated to residential customers in order to reduce complaints of slamming and cramming. New P.U.C. SUBST. R. § 26.25 implements these requirements pursuant to the mandates set forth in the PURA, most particularly in § 55.012, Telecommunications Billing, but also in PURA § 17.003(c) and § 17.004(a)(8), and in the FCC's Truth-in-Billing rules (47 C.F.R. § 64.2000 and § 64.2001 (1999)). PURA § 55.012, *Telecommunications Billing*, called on LECs to issue simplified, easily understood bills for local service. PURA § 55.012(c) stated that to the extent allowed by law, such bills are to include aggregate charges for each of the following: (1) basic local service, (2) optional services, and (3) taxes.

The new rule was intended to decrease confusion associated with the proliferation of charges on residential customers' telephone bills for separate services and products and of related surcharges, fees, and taxes. However, the Commission may revisit billing issues that continue to be an area of concern.

Matters of significant importance included the following:

- Whether the rule should apply in its entirety to all CTUs, or just all LECs (which by PURA definition include holders of a CCN or a COA, but not holders of an SPCOA). The adopted rule applies to all certificated telecommunications utilities.
- Exactly what information should be required to appear on the first page of a residential customer's bill. This was the biggest area of interest; the adopted rule is considerably less prescriptive in this regard than was the version published for comment. The adopted rule requires only that the first page include the grand total due for all services billed, the payment due date, and a notification of any change in service provider. Also, CLECS took the position that differentiation in a competitive market is one standard for choosing formatting for bills.

- What the required compliance date should be for implementing the mandated changes. The adopted rule requires compliance within six months of the effective date, meaning February 15, 2001.
- Whether certificated telecommunications utilities could issue bills solely over the Internet. The adopted rule requires that a residential customer receive his/her bill via the United States mail, "unless the customer agrees with the utility to receive a bill through different means, such as electronically via the Internet." As explained in the rule preamble, this language allows the holder of an SPCOA, but not a holder of a CCN or a COA, from promoting itself as a company that bills over the Internet only.
- Whether surcharges imposed on a percentage-of-revenue basis could be included only in the basic local subtotal, or would have to be prorated between basic local service and optional services. The adopted rule permits the certificated telecommunications utility either to include the portion of such surcharges related to local service in the basic local subtotal or to allocate that portion between basic local service and optional local services on a proportionate basis.
- Whether to require the itemization (in dollars and cents) of surcharges included in the subtotals for basic local service and optional services. The adopted rule allows the certificated telecommunications utility discretion on this matter; however, if the specific amount of each assessment is not shown on the bill, the utility must clearly indicate on the bill a toll-free method, including a toll-free number, by which the customer may obtain information regarding the amount and method of calculation of each surcharge.
- Whether to require a specific statement on the bill of the amount the customer must pay to avoid having his/her basic local service disconnected. The adopted rule does not require such a statement; instead, it requires the certificated telecommunications utility to clearly and conspicuously identify on the bill those charges for which non-payment will not result in disconnection of basic local service, or to clearly and conspicuously identify on the bill those charges for which non-payment will result in disconnection of basic local service. As noted in the preamble, a specific statement of the amount the customer must pay to avoid disconnection will suffice for this purpose; it is also required by P.U.C. SUBST. R. 26.28 to be included in any disconnection notice sent to a residential customer.

IXC Flow Through of Reduced Access Charges

Project No. 21172: Declaratory Order to address Interexchange carriers' access charge reduction pass-through filings.

Adopted 9/7/99. In this proceeding, the Commission established Sworn Affidavits of Completion as the mechanism for interexchange carriers to fulfill the requirements of PURA §52.112, which relates to rate reduction pass-through requirements. The specific minute of use data submitted and sworn to in the affidavits is considered highly confidential information by IXCs. A Declaratory Order was issued in September 1999 covering USF Docket Nos. 18515 and 18516, and PURA § 58.301, which relates to switched access rate reduction.

Project No. 21173: Compliance project to address interexchange carriers access charge reduction pass-through fillings.

Adopted 6/29/00. In this proceeding initial access pass-through filings were submitted by AT&T, Worldcom, and Sprint (March 1, 2000) covering access reductions for the period beginning September 1, 1999. Supplemental filings of additional information were submitted in April of 2000. A review of information submitted by AT&T, Worldcom, and Sprint indicates reductions to Basic Rate Schedules as high as \$0.05 per minute were made for in-state long distance calls. Additionally, the affidavits indicated that residential subscribers received their proportionate share of switched access reductions in compliance with the requirements of PURA.

SWB Access Charge Reductions

Project No. 21184: Southwestern Bell Telephone Company notice of intent to file amended tariff sheets to implement reductions in its switched access service tariff in compliance with SB 560.

Adopted 9/1/99. PURA § 58.301(1) states that, effective September 1, 1999, an electing company with greater than five million access lines in the state shall reduce its switched access rates on a combined originating and terminating basis by one cent a minute. In this proceeding SWBT proposed implementing the one-cent reduction required by Section 58.301(1) by eliminating the one-cent Originating Residual Interconnection Charge remaining after the Second Interim Order in Docket No. 18515. The commission approved the application after consideration of the comments from all of the parties involved in the proceeding.

Project No. 22302: Application of Southwestern Bell Telephone company for approval of switched access service rate reduction pursuant to PURA §58.301(2)

Adopted 7/6/00. PURA § 58.301(2) states that, by no later than July 1, 2000 an electing company with greater than five million access lines in the state shall reduce its switched access rates on a combined originating and terminating basis by two cents a minute. In this proceeding, SWBT proposed implementing the one-cent reduction required by § 58.301(2) by reducing the Terminating Carrier Common Line Charge by two cents. The commission approved the application after an analysis of prior access reductions and no protest from the parties involved in the proceeding.

Project No. 21158: Compliance Project to Implement Switched Access Rates Reductions; PURA § 58.301

Initiated 7/27/99. This project was established for the reductions described in the above projects. This project was not used. The 1 cent reduction was implemented under Project No. 21184, and the 2 cent reduction was implemented in Project No. 22302.

Chapters 52, 58 & 59: Pricing Flexibility

At the September 7, 2000 open meeting, the commission adopted seven new rules that implement provisions of SB 560. Additionally, the commission repealed two existing rules made obsolete by adoption of the new rules.

There are two significant areas of importance in these rules. First, P.U.C. SUBST. R. §§ 26.225, 26.226, 26.227, and 26.229 were proposed with an anticompetitive standard in the form of a rebuttable presumption that placed the burden of proof upon an electing company to

show that the price of a service or package of services is not anticompetitive.¹²⁷ The commission concluded that an anticompetitive standard is more appropriately developed on a case-by-case basis because a single rebuttable presumption may not adequately address the range of anticompetitive behaviors over which the commission has jurisdiction pursuant to PURA. The commission, therefore, deleted the rebuttable presumption from the adopted versions of the rules. However, the commission required incumbent LECs to furnish information, in their informational filing packages, about the relevant TELRIC-based wholesale prices and the retail prices for the service or package being offered. An interested party may rely on this information to initiate a complaint regarding anticompetitive pricing by an incumbent LEC.

Second, P.U.C. SUBST. R. §§ 26.226, 26.227, 26.228 and 26.229 were adopted by the commission with provisions that establish standards regarding the packaging and joint marketing of regulated services with unregulated products or services and/or with the products or services of an electing company's affiliate. Upon adoption, the provisions were expanded to obtain greater assurance regarding potential anticompetitive practices related to packaging and joint marketing.

Project No. 21155: Requirements Applicable to Pricing Flexibility for Chapter 58 Electing Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.226, *Requirements Applicable to Pricing Flexibility for Chapter 58 Electing Companies*, set forth the substantive requirements related to pricing flexibility. The rule affects Chapter 58 electing companies. Through the adoption of the rule, the commission made its rules consistent with PURA and clarified standards required of Chapter 58 electing companies for exercising pricing flexibility.

Repealed 9/7/00. P.U.C. SUBST. R. § 26.212, *Procedures Applicable to Chapter 58 Electing Incumbent Local Exchange Companies* and P.U.C. SUBSTANTIVE R. § 26.213, *Telecommunications Pricing*, were repealed. These rules were no longer necessary because of changes mandated by SB 560 and P.U.C. SUBST. R. §§ 26.224, 26.225, 26.226, and 26.227.

Project No. 21156: Requirements Applicable to Basic Network Services for Chapter 58 Electing Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.224, *Requirements Applicable to Basic Network Services for Chapter 58 Electing Companies*, set forth the procedural and substantive requirements for changing the rates of basic network services. The rule affects Chapter 58 electing companies. Through the adoption of P.U.C. SUBST. R. § 26.224, the commission made its rules consistent with PURA regarding the realignment from three types of services to two (basic and non-basic), and clarified the standards and procedures required of Chapter 58 electing companies for offering basic network services to customers.

Project No. 21157: Requirements Applicable to Nonbasic Services for Chapter 58 Electing Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.225, *Requirements Applicable to Nonbasic Services for Chapter 58 Electing Companies*, established the substantive requirements relating to nonbasic services, including new services. The rule affects Chapter 58 electing companies. Through the adoption of the rule, the commission made its rules consistent with PURA and

¹²⁷ Specifically, the rebuttable presumption stated that the price of a service or package of services is anticompetitive if it is lower than the sum of the total element long run incremental cost (TELRIC)-based wholesale prices of components needed to provide the service or package.

clarified the standards required of Chapter 58 electing companies for offering nonbasic services to customers.

Project No. 21159: Long Run Incremental Cost (LRIC) Methodology for Services provided by Certain Incumbent Local Exchange Carriers (ILECs)

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.214, *Long Run Incremental Cost (LRIC) Methodology for Services provided by Certain Incumbent Local Exchange Carriers (ILECs)*, set forth the substantive and procedural requirements for LRIC studies filed by Chapter 52 companies and Chapter 59 electing companies. Through adoption of the rule, the commission made its rules consistent with PURA and clarified the standards required of Chapter 52 companies and Chapter 59 electing companies for submitting LRIC studies to the commission.

Project No. 21159: Requirements Applicable to Chapter 52 Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.228, *Requirements Applicable to Chapter 52 Companies*, set forth the substantive and procedural requirements regarding new services, pricing and packaging flexibility, customer promotional offerings, and customer specific contracts. The rule affects companies regulated under PURA, Chapter 52. Through adoption of the rule, the commission made its rules consistent with PURA and clarified the standards and procedures applicable to companies regulated under PURA, Chapter 52.

Project No. 21159: Requirements Applicable to Chapter 59 Electing Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.229, *Requirements Applicable to Chapter 59 Electing Companies*, set forth the substantive and procedural requirements regarding new services, pricing and packaging flexibility, customer promotional offerings, and customer specific contracts. The rule affects companies that elect to be regulated under PURA, Chapter 59. Through adoption of the rule, the commission made its rules consistent with PURA and clarified the standards and procedures applicable to companies that elect to be regulated under PURA, Chapter 59 for exercising flexibility and offering new services.

Project No. 21161: Procedures Applicable to Nonbasic Services and Pricing Flexibility for Basic and Nonbasic Services for Chapter 58 Electing Companies

Adopted 9/7/00. New P.U.C. SUBST. R. § 26.227, *Procedures Applicable to Nonbasic Services and Pricing Flexibility for Basic and Nonbasic Services for Chapter 58 Electing Companies*, set forth the procedural requirements for nonbasic services and pricing flexibility. The rule affects Chapter 58 electing companies. Through adoption of the rule, the commission implemented a procedure necessary to allow for an efficient and timely review of service offerings and established a complaint process contemplated by SB 560 in connection with information notice filings.

Municipal Franchise

Project No. 20935: Rulemakings to Implement the Provisions of HB 1777 or Section 283 of the Local Government Code

P.U.C. SUBST. R. § 26.461, Relating to Access Line Categories

Adopted 10/21/99. New P.U.C. SUBST. R. § 26.461 applies to certificated telecommunication providers (CTPs) (defined as persons with a certificate of convenience and necessity, certificate of operation authority, or service provider certificate of operating authority

to offer local exchange telephone service) and to municipalities in the State of Texas. HB 1777 required the Commission to establish no more than three categories of access lines. This section establishes three competitively neutral, non-discriminatory categories of access lines for statewide use in establishing a uniform method for compensating municipalities for the use of a public right-of-way by CTPs. CTPs urged the Commission to establish not more than one category for administrative simplicity. Municipalities, on the other hand, unanimously requested the Commission to establish three categories. The Commission adopted three categories as it would offer Texas cities maximum flexibility to design municipal rates for their citizens. The three categories would also allow cities to establish lower rates for residential users compared to business customers.

P.U.C. SUBST. R. § 26.463, Relating to Calculation and Reporting of a Municipality's Base amount

Adopted 10/21/99. New P.U.C. SUBST. R. § 26.463 establishes a uniform method for determining a municipality's base amount and for calculating the value of in-kind services provided to a municipality under an effective franchise agreement or ordinance by CTPs, and sets forth relevant reporting requirements. It applies to all municipalities in the State of Texas.

The cities and the CTPs were divided in their opinion over whether the accounting methodology used to calculate the 1998 base amount should be based on a calendar year or fiscal year. There were also significant disagreements on whether to use cash or revenue based accounting methods to calculate the 1998 base amount. Several cities also argued that the escalation provisions under HB 1777 were perpetual and that the base amount would have to be adjusted every year by the amount of escalation provisions in terminated contracts. The commission adopted rules to require cities to use calendar year 1998 as the base year for calculating the 1998 base amount. However, the commission rules gave the cities the flexibility to use revenues "due" for year 1998 to calculate the base amount for that year.

The Commission disagreed with the cities that the escalation provisions were perpetual. The adopted rules allowed escalation only until March, 2000 – the date by which rates had to be established by the Commission. The Commission concluded that escalation provisions in terminated contracts do not carry over beyond March, 2000. Further, the Commission noted that there is no mention in the statute about revising the base amount by escalation every year.

P.U.C. SUBST. R. § 26.465, Relating to Methodology for Counting Access Lines and Reporting Requirements for Certificated Telecommunication Providers

Adopted 1/7/00. New P.U.C. SUBST. R. § 26.465 establishes a uniform method for counting access lines within a municipality by category as provided by §26.461 (relating to Access Line Categories), sets forth relevant reporting requirements, and sets forth certain reseller obligations under the Local Government Code, Chapter 283. The provisions apply to CTPs in the State of Texas.

CTPs and Cities had several disagreements over the line counting methodology. The commission adopted rules to require CTPs to count one access line for every end user in a manner consistent with the definition of access lines in HB 1777.

P.U.C. SUBST. R. § 26.467, relating to Rates, Allocation, Compensation, Adjustments and Reporting

Adopted 5/1/00. New P.U.C. SUBST. R. § 26.467 establishes the following:

- (1) rates for categories of access lines;

- (2) default allocation for municipalities;
- (3) adjustments to the base amount and allocation;
- (4) municipal compensation; and
- (5) associated reporting requirements.

The provisions of this section apply to CTPs and to municipalities in the State of Texas. Cities objected to the Commission proposal that the default allocation should be on a ratio of 1:1:1. The Commission revised its original proposal and adopted an allocation ratio that was an average of the ratios submitted by the CTPs.

Customer Protection - SB 86

Project No. 20787: Payphone Compliance

Adopted 3/1/00. This project included the review of old P.U.C. SUBST. R. § 23.54, relating to *Pay Telephone Service* as required by the Appropriations Act of 1997, HB 1, Article IX, Section 167. As a result of this review, the Commission repealed P.U.C. SUBST. R. § 23.54, relating to *Pay Telephone Service*, and added new § 26.102, relating to *Registration of Pay Telephone Service Providers*, as well as new §§ 26.341 through 26.347.

Project No. 21006: Protection Against Unauthorized Billing Charges ("Cramming")

Adopted 10/21/99. P.U.C. SUBST. R. § 26.32, *Protection Against Unauthorized Billing Charges ("Cramming")*, was adopted to implement the provisions concerning unauthorized charges on telephone bills as set forth in SB 86, now incorporated in PURA §§ 17.151-17.158. The rule applies to all "billing agents" and "service providers." The rule includes requirements for billing authorized charges, verification requirements, responsibilities of billing telecommunications utilities and service providers for unauthorized charges, customer notice requirements, and compliance and enforcement provisions. The rule ensures protection against cramming without impeding prompt delivery of products and services, minimizes cost and administrative requirements, and ensures consistency with FCC anti-cramming guidelines.

Project No. 21030: Limitations on Local Telephone Service Disconnections

Adopted 12/1/99. Amendments to P.U.C. SUBST. R. § 26.21, relating to *General Provisions of Customer Service and Protection Rules*; § 26.23, relating to *Refusal of Service*; § 26.24, relating to *Credit Requirements and Deposits*; § 26.27, relating to *Bill Payment and Adjustments*; § 26.28, relating to *Suspension or Disconnection of Service*; and § 26.29, relating to *Prepaid Local Telephone Service (PLTS)*, were adopted to implement SB 86, now incorporated in PURA § 55.012. These amendments (1) prohibit discontinuance of residential basic local service for nonpayment of long distance charges; (2) require that residential service payment first be applied to basic local service; (3) require a local service provider to offer and implement toll blocking to limit long distance charges after nonpayment for long distance service, and allow disconnection of local service for fraudulent activity; and (4) establish a maximum price that a local exchange company may charge a long distance service provider for toll blocking. The amendments apply to all local telephone service providers.

Project No. 22706: Discrimination, PURA Section 17.004(a)(4)

Adopted 11/16/00. This project resulted in changes to the Commission's rule language relating to geography and income. Policies contained in P.U.C. SUBST. R. § 26.4 were amended

to be in compliance with PURA. Specific mechanisms to implement and enforce the prohibitions on discrimination in P.U.C. SUBST. R. § 26.4 were included in Project No. 21423. The rules apply to all telecommunications providers.

Project No. 21419: Customer's Right to Choice (Slamming)

Adopted 6/14/00. An amendment to P.U.C. SUBST. R. § 26.130, Selection of Telecommunications Utilities, was adopted to implement SB86, now incorporated in PURA § 17.004(a)(5) and §§ 55.301-55.308. The amendment (1) eliminates the distinction between carrier-initiated and customer-initiated changes, (2) eliminates the information package mailing (negative option) as a verification method, (3) absolves the customer of any liability for charges incurred during the first 30 days after an unauthorized telecommunications utility change, (4) prohibits deceptive or fraudulent practices, (5) requires consistency with applicable federal laws and rules, and (6) addresses the related issue of preferred telecommunications utility freezes. The rule applies to all telecommunications utilities.

Project No. 21420: Administrative Penalties

Adopted 2/10/00. An amendment to P.U.C. PROC. R. § 22.246, Administrative Penalties, was adopted to implement SB86, now incorporated in PURA § 15.024. The amendment eliminates the 30 day "cure period" for violations of PURA Chapters 17, 55, and 64, clarifies that a violator may not opt to pay a penalty without taking appropriate corrective action, and incorporates the term "continuing violation."

Project No. 21421: Customer Proprietary Network Information, PURA § 17.004

Merged into project 21423. The project team met and reviewed the new statutory language concerning the privacy of customer consumption and credit information. The team concluded that no changes were needed to P.U.C. SUBST. R. § 26.122. Additional language to address these specific protections was addressed in Project No. 21423. There are ongoing federal proceedings as well on this subject.

Project No. 21422: Automatic Dial Announcing Devices

Adopted 1/27/00. An amendment to P.U.C. SUBST. R. § 26.125 was adopted to implement PURA § 55.126. The amendment shortens from 30 seconds to five seconds the amount of time an automatic dialing device must disconnect from a called person. The rule applies to all operators of automatic dial announcing devices.

Project No. 21423: Telephone Customer Service Rules: PURA §§ 17.003(c), 17.004, and 17.052(3)

Adopted 11/16/00. The purpose of this project was to recast existing customer protection rules for the new, competitive environment. Key issues were (1) applicability of rules to dominant certificated telecommunications utilities (DCTUs) and nondominant certificated telecommunications utilities (NCTUs), (2) failure of NCTUs to release lines, (3) discrimination protections, (4) prohibition of fraudulent, unfair, misleading, deceptive, and anti-competitive practices and (5) information disclosures.

Consumer groups and most DCTUs proposed that the customer service and protection rules apply equally to all certificated telecommunications utilities. In support of their position, these commenters made the following points: PURA requires uniform standards for all certificated telecommunications utilities; perspective for the rules should be the customer, not the classification of the provider; uniform rules will encourage more participation by giving some

assurance to reluctant consumers that the market will operate fairly; and since NCTUs indicated that they cannot survive unless they provide better service than DCTUs, then adhering to the DCTU standards should not be a problem.

NCTUs favored bifurcated rules with less restrictive requirements for NCTUs. In support of their position, NCTUs made the following points: PURA encourages competition, distinguishes between DCTUs and NCTUs in many areas, and does not require uniform rules for all certificated telecommunications utilities; the commission should apply regulatory mandates only when the market fails; uniform regulation is appropriate only when competitors are equally situated; and equal application of rules would create substantial burdens and costs for NCTUs and inhibit competition.

The adopted rules provide strong protections for all customers, while allowing some flexibility to NCTUs to encourage increased competition. Ultimately, a highly competitive local telecommunications market will benefit all customers.

Project No. 21424: Prepaid Calling Card Disclosures

Adopted 7/12/00. P.U.C. SUBST. R. § 26.34, *Telephone Prepaid Calling Services*, was adopted to implement PURA § 55.253. The rule applies to all prepaid calling services companies. The rule prescribes standards regarding the information a prepaid calling card company shall disclose to customers concerning rates and terms of service.

Project No. 21456: Certification, Registration and Reporting

Adopted 6/29/00. Amendments to P.U.C. SUBST. R. §26.107, *Registration of Nondominant Telecommunications Carriers*, § 26.109, *Standards for Granting of COAs*, and § 26.111, *Standards for Granting SPCOAs*, and new § 26.114, *Suspension or Revocation of COAs and SPCOA*, were adopted to implement PURA §§ 17.051-17.053. The amendments and new rule establish registration requirements for all nondominant carriers, require registration as a condition for doing business in Texas, establish customer service and protection standards, and address suspension or revocation of COAs and SPCOAs. The purpose of this project was to amend certification, registration, and reporting requirements for SPCOA/COA applicants to reflect legislative authority to revoke or suspend the certification of telecommunications utilities.

Pending Projects

Project No. 21329: Low Income/Automatic Enrollment, PURA § 17.004(f)

Scheduled adoption on 1/11/2001. This project will establish terms and conditions necessary for automatic enrollment of eligible telephone customers into Lifeline service and will result in an amendment to P.U.C. SUBST. R. § 26.412, *Lifeline Service and Link Up Service Programs*. The commission staff is continuing to work with the Texas Department of Human Services on an implementation plan for automatic enrollment of Lifeline services.