

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

In the Matter of	)	
	)	CC Docket No. 00-36
	)	
GTE Telephone Operating Companies	)	Transmittal No. 1234
Revisions to Tariff F.C.C. No.1	)	
	)	
GTE Systems Telephone Companies	)	Transmittal No. 304
Revisions to Tariff F.C.C. No. 1	)	

**ORDER DESIGNATING ISSUES  
FOR INVESTIGATION**

**Adopted: February 28, 2000**

**Released: February 28, 2000**

**Direct Case Due Date: March 20, 2000**

**Oppositions to Direct Case Due Date: March 30, 2000**

**Rebuttal Due Date: April 6, 2000**

By the Chief, Common Carrier Bureau:

**I. INTRODUCTION**

1. On December 6, 1999, GTE Telephone Operating Companies (GTOC) and GTE Systems Telephone Companies (GSTC) (collectively GTE) filed Transmittal No. 1234 on behalf of GTOC and Transmittal No. 304 on behalf of GSTC. Both transmittals had an effective date of December 21, 1999. These transmittals sought to establish rates, terms, and conditions for Expanded Interconnection Service. On December 13, 1999, Sprint Corporation (Sprint) filed a petition to reject, or, in the alternative, to suspend and investigate GTE's tariff filings.<sup>1</sup> On December 16, 1999, GTE filed a Reply.<sup>2</sup> On December 20, 1999, we released a *Suspension Order* suspending GTE's Expanded Interconnection Services (EIS) tariffs for one day and instituted this investigation into the lawfulness of GTE's tariffs.<sup>3</sup> In this Order, we designate issues for the investigation of GTE's transmittals and we direct GTE to file additional information as described below.

<sup>1</sup> Sprint Petition to Reject or in the Alternative, Suspend and Investigate, filed December 13, 1999 (Sprint Petition).

<sup>2</sup> GTE Reply to Sprint Petition, filed December 16, 1999 (GTE Reply).

<sup>3</sup> *GTE Telephone Operating Companies, Revisions to Tariff F.C.C. No.1, Transmittal No. 1234, and GTE Systems Telephone Companies, Revisions to Tariff F.C.C. No. 1, Transmittal No. 304*, Order, DA 99-2966 (rel. December 20, 1999) (*Suspension Order*).

## II. BACKGROUND

2. The Commission has long recognized the importance of collocation to competition. In the Expanded Interconnection proceeding, the Commission required certain LECs to offer collocation to all interested parties, which allowed competitors and end users to terminate their own special access and switched transport access transmission facilities at LEC central offices.<sup>4</sup> The Commission's rules required the interconnecting party to pay the LEC for central office floor space. Accordingly, the Commission required certain LECs to file tariffs to implement these requirements. After an initial review of the LECs' tariffs raised significant concerns regarding the LECs' provision of collocation, the Common Carrier Bureau partially suspended the rates proposed by many of the LECs and allowed these rates to take effect subject to investigation and an accounting order.<sup>5</sup>

3. In 1994, the U.S. Court of Appeals for the District of Columbia Circuit found that the FCC lacked the authority under section 201 of the 1934 Communications Act to require physical collocation and remanded all other issues to the Commission.<sup>6</sup> On remand, the Commission adopted rules for both special access and switched transport that required LECs to provide either virtual or physical collocation, at the LEC's option.<sup>7</sup>

4. In the 1996 Act, Congress specifically directed incumbent LECs to provide physical collocation for interconnection and access to unbundled network elements, absent technical or space constraints.<sup>8</sup> In the Local Competition Order, the Commission adopted the existing Expanded Interconnection requirements, with some modifications, as the rules applicable for collocation under section 251.<sup>9</sup> The most significant difference between the Expanded Interconnection rules and the collocation rules adopted to implement the 1996 Act concerned the collocation-tariffing requirement. Because the 1996 Act does not require that collocation be federally tariffed, the Commission did not adopt, under section 251, the Expanded Interconnection tariffing requirements originally adopted under

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<sup>4</sup> Expanded Interconnection with Local Telephone Company Facilities, First Report and Order, 7 FCC Rcd 7369 (1992), vacated in part and remanded, *Bell Atlantic Telephone Companies, et al., v. FCC, et al.*, 24 F.3d 1441 (1994); Expanded Interconnection with Local Telephone Company Facilities, Memorandum Opinion and Order, 8 FCC Rcd 127 (1993), vacated in part and remanded, *Bell Atlantic Telephone Cos. v. FCC*, 24 F.3d 1441; Expanded Interconnection with Local Telephone Company Facilities, Second Memorandum Opinion and Order on Reconsideration, 8 FCC Rcd 7341 (1993); Expanded Interconnection with Local Telephone Company Facilities and Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, Second Report and Order and Third Notice of Proposed Rulemaking, 8 FCC Rcd 7374 (1993), vacated in part and remanded, *Bell Atlantic Telephone Cos., v. FCC*, 24 F.3d 1441; Expanded Interconnection with Local Telephone Company Facilities, Memorandum Opinion and Order, 9 FCC Rcd 5154 (1994) (Virtual Collocation Order), remanded for consideration of 1996 Act, *Pacific Bell, et al. v. FCC*, 81 F.3d 1147 (1996) (collectively referred to as Expanded Interconnection).

<sup>5</sup> *See, e.g.*, Local Exchange Carriers' Rates, Terms and Conditions for Expanded Interconnection for Special Access, Order Designating Issues for Investigation, 8 FCC Rcd 6909 (1993).

<sup>6</sup> *See Bell Atlantic Telephone Cos. v. FCC*, 24 F.3d 1441.

<sup>7</sup> *See Virtual Collocation Order*, 9 FCC Rcd 5154.

<sup>8</sup> *See* 47 U.S.C. § 251(c)(6), of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (the Act).

<sup>9</sup> *See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, First Report and Order, 11 FCC Rcd 15499, 15787 (1996).

section 201. The existing tariffing requirements of Expanded Interconnection for interstate special access and switched transport, however, continued to apply for use by customers that wished to subscribe to those interstate services.<sup>10</sup>

5. Last year, in the *Advanced Services First Report and Order*, the Commission concluded that incumbent LECs must allocate space preparation, security measures, and other collocation charges on a pro-rated basis so the first collocator in a particular incumbent premises would not be responsible for the entire cost of site preparation.<sup>11</sup> The Commission provided the example that, if an incumbent LEC implements collocation arrangements in a particular central office that requires air conditioning and power upgrades, the incumbent may not require the first collocating party to pay the entire cost of site preparation. The Commission explained that, “[I]n order to ensure that the first entrant into an incumbent’s premises does not bear the entire cost of site preparation, the incumbent must develop a system of partitioning the cost by comparing, for example, the amount of conditioned space actually occupied by the new entrant with the overall space conditioning expenses.”<sup>12</sup> The Commission expressed its expectation that state commissions would determine the proper pricing methodology to ensure that incumbent LECs properly allocate site preparation costs among new entrants.<sup>13</sup>

6. In the instant transmittals, GTE is proposing to make changes to its EIS offering, including the introduction of rate elements for EIS requests previously billed under individual case basis (ICB) arrangements. GTE has proposed a non-recurring site preparation charge of \$33,560 for a 100 square foot caged physical collocation arrangement.<sup>14</sup> GTE’s site preparation charge is intended to recover construction costs associated with physical collocation, including those for major heating, ventilation, and air conditioning (HVAC) additions, major power additions,<sup>15</sup> security, site modifications, and electrical requirements.<sup>16</sup> Of these claimed costs, the majority is for major HVAC and power additions.<sup>17</sup>

7. In addition to its site preparation charge for a 100 square foot caged physical collocation arrangement, GTE proposes site preparation charges of \$37,720, \$41,890, \$46,060, and \$50,220 for 200,

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<sup>10</sup> *Id.* at 15788.

<sup>11</sup> *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 4761, at ¶ 51 (1999) (*Advanced Services Order*).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> GTE Transmittal Nos. 1234 and 304 at Section 17.9.1(B)(15).

<sup>15</sup> In this Order, we define major HVAC additions and major power additions as does GTE in its Reply. GTE defines these facilities as those required to provide conditioned space within the central office where the collocator’s equipment is located. *See* GTE Reply at 6-7 and Attachments A and F. This definition excludes minor HVAC work and duct modifications at the immediate area of the collocator’s space within the central office. GTE uses the term HVAC – minor to refer to such minor work and facilities. *See* GTE Reply at 5 and Attachment A.

<sup>16</sup> GTE Reply at 4-7 and Attachment A.

<sup>17</sup> GTE’s site preparation charge for a 100 square foot arrangement is \$33,560. Approximately 56 percent of this rate, \$18,889, is for major HVAC and power additions. GTE Reply, Attachment A.

300, 400, and 500 square foot arrangements, respectively.<sup>18</sup> GTE bases its charge for orders that exceed 100 square feet on a formula that produces a charge equal to that for a 100 square foot arrangement plus 10 percent of this charge for each additional 100 square feet of central office space.<sup>19</sup> GTE does not explain how it derives this formula.

8. In GTE's transmittals, it proposes that collocators be charged with the cost of upgrading, or replacing entirely, HVAC or power systems as part of its site preparation charges. GTE develops the cost for major HVAC and power additions reflected in the site preparation charge by: (1) summing individual case basis (ICB) quotes, for each of 25 different central offices, provided to collocators between January 1, 1999 and September 30, 1999;<sup>20</sup> and (2) dividing the number of collocation quotes provided to collocators during this time period, 491, into the sum of the ICB quotes.<sup>21</sup> The ICB estimates used in the calculation of this rate range from approximately \$15,000 to \$2.6 million per central office.<sup>22</sup>

9. Sprint argued that GTE's tariff filings fail to include adequate cost and investment information to support the site preparation charge associated with the service.<sup>23</sup> Sprint further contends that the tariff filings do not include specific information regarding the costs that will be directly incurred by GTOC and GSTC in the provisioning of expanded interconnection service and do not include an adequate explanation of demand.<sup>24</sup> GTE included additional cost support and investment data in its reply to Sprint. In the *Suspension Order*, we stated that Sprint's Petition raised substantial questions of lawfulness that warranted investigation. Specifically, we stated that the issues to be investigated might include but were not limited to, whether: (1) the site preparation charge associated with GTE's filing was adequately supported by the cost and investment data; (2) the filings included sufficient data regarding the specific costs that will be incurred in the provision of the service; and (3) the demand data included in the filing was adequate.<sup>25</sup>

### III. ISSUES DESIGNATED FOR INVESTIGATION

10. We designate for investigation the following questions: (1) whether GTE's methodology for calculating its site preparation charge is reasonable; (2) whether GTE has adequately justified the cost and necessity of the major HVAC and power additions used in developing its site preparation charge; and (3) whether we should require GTE to use an alternative methodology to develop a site preparation charge based upon the current per square foot average cost for such facilities.

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<sup>18</sup> See GTE Transmittal Nos. 304 and 1234, Investment and Cost Data Summary for the space preparation charges.

<sup>19</sup> See GTE Transmittal Nos. 304 and 1234 at 1.

<sup>20</sup> GTE recovered construction costs for physical collocation on an ICB basis prior to filing site preparation charges in Transmittal Nos. 304 and 1234. GTE Reply at 1.

<sup>21</sup> GTE Reply at 7 and Attachment F.

<sup>22</sup> *Id.*

<sup>23</sup> Sprint Petition at 2.

<sup>24</sup> *Id.* at 3-4.

<sup>25</sup> See Suspension Order at ¶ 3.

**A. Reasonableness of GTE's Methodology**

11. Since February 8, 1996, incumbent local exchange companies have been required by the Telecommunications Act of 1996 to provide physical collocation. To the extent that GTE claims that it has central offices that cannot support physical collocation without upgrading these offices, and to the extent that GTE does not plan to upgrade to allow for physical collocation, GTE must explain why its plans are consistent with the requirements of the Act and the Commission's implementing rules, including those adopted in the Advanced Services First Report and Order. GTE must also explain in detail the rationale for using the methodology it has chosen for calculating its site preparation charge. Specifically, GTE must justify basing this charge on the entire cost of major HVAC and power additions at certain central offices, given that these facilities provide environmental control and power not only to GTE's collocator-customers, but to facilities used to support GTE's other customers as well. GTE must identify the length of the planning horizon it used to determine whether to include the entire cost for a major HVAC or power addition in calculating its site preparation charge. GTE must fully justify the length of the planning horizon that it used for this purpose and explain in detail why it does not use a longer horizon such as one equaling the expected life of a central office. To the extent that GTE maintains that internal budget constraints preclude installing major HVAC and power additions in the absence of caged physical collocation, it must explain why it is reasonable to include these costs for these additions.

12. GTE also must explain in detail why it is reasonable to use construction quotes to estimate actual costs for major HVAC and power additions. GTE must explain in detail the extent to which these construction quotes are the result of a competitive bidding process among contractors. GTE must explain both the numerator and denominator of its rate formula. That is, GTE must explain in detail why it is reasonable to estimate these costs based on 25 central offices instead of a sample of central offices representative of offices at which there is expected demand for caged physical collocation. GTE must explain in detail why it is reasonable to estimate these costs based on the historical number of caged physical collocation quotes that it provided to collocators over time, given that these quotes may not accurately reflect the number of collocators actually taking service. GTE must explain why it did not base these costs on the average demand actually expected for this service now or in the reasonably predictable future.

**B. Adequacy of GTE's Cost Support**

13. If GTE chooses to continue the attempt to justify the methodology described above, it must also fully support the costs it has developed for major HVAC and power additions. We therefore direct GTE to submit in its direct case the data identified below for each of the central offices used in determining its site preparation charge. GTE need not submit this data if it elects to file a new rate developed in accordance with the methodology described in paragraphs 20-24.

14. We direct GTE to estimate separately for each year of the remaining useful life of each central office, beginning with 1999, the expected cash outlay, *i.e.*, the investment, associated with (1) major HVAC additions and (2) major power plant additions. In doing so, we direct GTE to use the assumed "new demand" for caged physical collocation on which it based its site preparation charge as set forth in Transmittal Nos. 304 and 1234.<sup>26</sup> GTE must explain and justify the data, assumptions, calculations, and methodologies used to estimate the amount of each expected annual cash outlay. At a

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<sup>26</sup> We use throughout this Order the term "new demand" to refer to the caged physical collocation demand on which GTE bases its site preparation charge as set forth in Transmittal Nos. 304 and 1234.

minimum, GTE must explain and justify: (1) its estimates of the remaining expected useful life of the central office; (2) the expected useful life of the HVAC facilities; (3) the expected useful life of the power facilities; (4) any adjustments for expected inflation; (5) any adjustments for expected demand growth; (6) the expected net residual value of the HVAC; (7) the expected net residual value of the power facilities; and (8) the expected length of time that collocators will take service in each central office.

15. We further direct GTE to submit a diagram for each central office showing each of the following: (1) the proposed location of the collocators that represent the new demand for caged physical collocation; (2) the existing location of equipment used currently to provide service to customers other than the collocators that represent the new demand for caged physical collocation; (3) the existing location of abandoned equipment; (4) the existing location of equipment not currently in use that GTE plans on using to provide service in the future; and (5) the existing location of empty central office space that GTE has reserved for future use. On each central office diagram, for each of these five locations, GTE also must indicate whether the source of environmental control or power is a major HVAC or power addition for which costs are reflected in GTE's proposed site preparation charge. For each central office, GTE must explain whether it is feasible to install caged physical collocation arrangements in locations (3), (4), or (5) without installing a major HVAC or power addition. If this is feasible in any of the central offices, GTE must justify basing its site preparation charge on the cost for a major HVAC or power addition in these offices.

16. We also require GTE to submit data reflecting its anticipated costs with respect to each central office in the absence of new demand for caged physical collocation. Thus, for the purposes of the data sought in this paragraph, GTE must assume that there is no new demand for caged physical collocation. Given this assumption, for each year of the remaining useful life of each central office, beginning with 1999, GTE must estimate separately the cash outlay, *i.e.*, the investment, associated with (1) major HVAC additions and (2) major power plant additions, if any. GTE must explain and justify the data, assumptions, calculations, and methodologies used to estimate the amount of each expected annual cash outlay. At a minimum, GTE must explain and justify: (1) its estimates of the remaining expected useful life of the central office; (2) the current age of existing HVAC facilities; (3) the expected useful life of HVAC facilities; (4) the current age of existing power facilities; (5) the expected useful life of existing power facilities; (6) any adjustments for expected inflation; (7) any adjustments for expected demand growth; (8) the expected net residual value of the HVAC facilities; and (9) the expected net residual value of the power facilities.

17. We further direct GTE to explain in detail and justify differences in both the magnitude and the timing of the expected annual cash outlays for major HVAC and power additions between the case where there is no new demand for caged physical collocation and the case where there is new demand for such service. Where such differences exist, GTE must explain and justify each of the following: any differences in the type and the capacity of the facilities required; the dollar amount for the physical material of each separate component (*e.g.*, air-cooled chillers and air handling units) included in these facilities for the two cases; and the number of labor hours, engineering hours, labor cost per hour, and engineering cost per hour associated with installing each separate component included in these facilities for the two cases.

18. We also require GTE to compare the cost of a major HVAC or power addition in an individual central office with the cost of installing an HVAC or power plant that is dedicated to satisfying the new demand for caged physical collocation in these central offices. We direct GTE to explain in detail whether, in any of the 25 central offices where it has determined upgrades to its plant are necessary, it is possible to install an HVAC or power plant that is dedicated to these collocators in that central office.

If it is possible to build an HVAC or power plant that is dedicated to these collocators in any of these central offices, we require GTE to provide an estimate of the cost of doing so, including a detailed explanation and justification of the data, assumptions, calculations, and methodologies it used to estimate these costs. If the cost of a dedicated HVAC or power plant is less than the cost for a major addition to, or replacement of, its existing HVAC facilities or power plant in any of the 25 central offices, we direct GTE to explain why it is reasonable to recover in its site preparation charge a cost for an HVAC or power plant that exceeds the cost of a dedicated HVAC or power plant in these central offices.

19. GTE must justify the dollar amount of the cost for major HVAC and power additions that is reflected in its site preparation charges for 200, 300, 400, and 500 square foot collocation arrangements by applying its formula for developing these charges. It must explain in detail the data, assumptions, calculations, and methodology on which this formula is based.

**C. Alternative Methodology: Per-Unit Average HVAC and Power Costs**

20. As part of this investigation, GTE is directed to provide data that may support an alternate methodology for recovering the costs included in its site preparation charge. Considering an alternate methodology is important in this investigation because major HVAC or power additions for which costs are included in GTE's site preparation charge would not only support facilities used by collocators at the respective central offices, but also would support GTE's facilities used to support GTE's other customers. As we discuss below, the rates paid by GTE's other customers already reflect an allowance for recovery of heating, ventilation, and air conditioning or power costs. These costs presumably would include those for a major HVAC or power plant addition. If so, GTE would over-recover these costs if collocators pay for the cost of a major HVAC or power addition as proposed by GTE. Therefore, reflecting the per-unit average cost for major HVAC and power additions in GTE's site preparation charge may allow for a more equitable recovery of GTE's costs. It may allow GTE to recover from collocators costs for HVAC and power facilities that are commensurate with their use of these facilities.

21. We presume that the rates that GTE charges its customers today reflect an allowance for recovery of HVAC and power costs. Prior to price cap regulation, LECs operated under rate of return regulation. Under rate of return regulation, LECs set their rates for different services at levels designed to recover the costs of providing these services. Power and HVAC costs are among the costs that these rates would have recovered. Such HVAC and power plant costs normally would include capital costs for a major HVAC or power addition to different central offices from time to time. Price cap LECs' permitted revenues in the first year of price cap regulation were based on the revenues derived from rates established in the last year of rate of return regulation. The permitted revenues under price caps beginning with that first year and each subsequent year were adjusted annually to reflect the effects of the Commission's X-factor, the rate of inflation, and demand growth. In essence, the allowance for recovery of HVAC and power reflected in the permitted revenues in the first year of price caps has been adjusted annually to reflect these effects. Price cap LECs' permitted revenues, therefore, continue to reflect this allowance for recovery of power and HVAC costs. To the extent GTE disagrees with this reasoning, we direct it to explain why it is inaccurate.

22. Price cap LECs that added new services after the inception of price cap regulation developed rates for these services in accordance with the Commission's "new services test." The new services test allows LECs to recover the direct cost of providing a service plus a reasonable amount of overhead. Typically, a rate established pursuant to the new services test would recover costs for HVAC and power. Under the Commission's rules, a new service becomes subject to price caps no later than 18

months from the date on which it is first offered. Upon entry of the new service into price caps, the price cap LEC's permitted revenues presumably would reflect the allowance for recovery of HVAC and power reflected originally in the rate for the new service. Again, this allowance presumably would, over time, reflect annual adjustments due to the X-factor, the rate of inflation, and demand growth. Thus, price cap LECs' permitted revenues continue to reflect this allowance for recovery of HVAC and power costs. To the extent GTE disagrees with this reasoning, we again direct it to explain why it believes that it is inaccurate.

23. Given that GTE's customers pay rates that reflect an allowance for recovery of HVAC or power costs, and the fact that GTE and its collocators will share HVAC and power facilities, we designate for investigation the question of whether we should require GTE to develop a site preparation charge based upon the current per square foot average cost for such facilities. We presume that use of square feet as the unit of measure for these costs is reasonable because the demand for the heating, ventilation, and air conditioning and for power is a function of the amount of equipment and therefore the amount of floor space available for the equipment in a central office. If GTE disagrees with this reasoning, it must explain why it is incorrect. We presume that recovery of current costs in these rates is reasonable because such costs approximate forward-looking costs and an efficient LEC operating in competitive markets would recover forward-looking costs from collocators and its other customers. If GTE disagrees with this reasoning, it must explain why it disagrees. To develop such a site preparation charge based upon the current per square foot average cost, we direct GTE to undertake a cost study to determine its current per square foot average cost for HVAC and power facilities. Specifically, GTE is required to determine the current per square foot average cost separately for HVAC facilities and for power facilities by: (1) determining the total capitalized cost from 1997 to 1999; (2) determining the total number of square feet of central office space for which facilities installed during these years provide heating, ventilation, air conditioning, and power; (3) dividing the total capitalized cost in (1) by the total number of square feet in (2).

24. We presume that it is reasonable that GTE develop the current average cost per square foot for these facilities based on installations during 1997, 1998, and 1999 because these costs are recent and are therefore likely to approximate prices that GTE would pay today for these facilities. Moreover, we presume that three years of cost data are likely to be sufficient to reliably estimate GTE's costs for these facilities. If GTE disagrees with this reasoning, it must explain why use of data for these years is incorrect. If GTE believes that it should use data for a period other than 1997, 1998, and 1999, in addition to the calculations that we require it to make, it may submit calculations of the current average cost per square foot for HVAC facilities and for power facilities based on data for a different period. We require GTE to explain in detail and support with workpapers the data, assumptions, calculations, and methodologies it uses to calculate its current average cost per square foot for HVAC and power facilities. It must submit this information to support the cost calculations that are based on 1997, 1998, and 1999 data and to support any calculations that are based on data for a different period.

#### IV. PROCEDURAL MATTERS

##### A. Filing Schedules

25. This investigation will be conducted as a notice and comment proceeding. We have designated CC Docket No. 00-36.

26. GTE shall file its direct case(s) no later than 21 days from the release of this Order. GTE's direct case(s) must present the parties' positions with respect to the issues described in this Order.

Pleadings responding to GTE's Direct Case(s) may be filed no later than 10 days from the date GTE filed its Direct Case(s), and must be captioned "Oppositions to Direct Case" or "Comments on Direct Case." GTE may file a "Rebuttal" to oppositions or comments no later than 7 days after any oppositions or comments have been filed to GTE's Direct Case(s).

27. An original and six copies of all pleadings shall be filed with the Secretary of the Commission. In addition, parties shall file two copies of any such pleadings with the Competitive Pricing Division, Common Carrier Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-A207, Washington, D.C. 20554. Parties shall also deliver one copy of such pleadings to the Commission's commercial copying firm, International Transcription Service, Inc., 445 12<sup>th</sup> Street, S.W., Room CY-B400, Washington, DC. Members of the general public who wish to express their views in an informal manner regarding the issues in this investigation may do so by submitting one copy of their comments to the Office of the Secretary, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room TW-A325 Washington, D.C. 20554. Such comments should specify the docket number of this investigation. Parties are also encouraged to submit their pleadings electronically through the Electronic Comment Filing System.

28. All relevant and timely pleadings will be considered by the Commission. In reaching a decision, the Commission may take into account information and ideas not contained in pleadings, provided that such information or a writing containing the nature and source of such information is placed in the public file, and provided that the fact of reliance on such information is noted in the order.

#### **B. *Ex Parte* Requirements**

29. This tariff investigation is a "permit-but-disclose proceeding" and subject to the "permit-but-disclose" requirements under Section 1.1206(b) of the rules, 47 C.F.R. § 1.1206(b), as revised. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required.<sup>27</sup> Other rules pertaining to oral and written presentations are set forth in Section 1.1206 (b), as well.

#### **C. Paperwork Reduction Act**

30. The collections of information contained within are contingent upon approval by the Office of Management and Budget, in accordance with the provisions of the Paperwork Reduction Act, 44 U.S.C. §§ 3506 et seq.

### **V. ORDERING CLAUSES**

31. **IT IS ORDERED** that, pursuant to Sections 4(i), 4(j), 201(b), 203(c), 204(a), 205, and 403 of the Communications Act, 47 U.S.C. §§ 154(i), 154(j), 201(b), 203(c), 204(a), 205, and 403, and Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the issues set forth in this Order **ARE DESIGNATED FOR INVESTIGATION**.

32. **IT IS FURTHER ORDERED** that GTE Telephone Operating Companies and GTE Systems Telephone Companies **SHALL INCLUDE**, in their direct case(s), a response to each request for

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<sup>27</sup> See 47 C.F.R. §1.1206(b)(2), as revised.

information that they are required to answer in this Order.

FEDERAL COMMUNICATIONS COMMISSION

Lawrence E. Strickling  
Chief, Common Carrier Bureau