

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

DA 02-990

In the Matter of)
Material to be Filed in Support of)
2002 Annual Access Tariff Filings)

WCB/Pricing 02-13

TARIFF REVIEW PLANS

Adopted: April 29, 2002; Released: April 30, 2002

By the Chief, Pricing Policy Division:

I. INTRODUCTION

1. We set forth herein the Tariff Review Plans (TRPs) that price cap incumbent local exchange carriers (ILECs) should file to support the annual revisions to the rates in their interstate access service tariffs.¹ The completion of the TRPs appended to this document will partially fulfill the requirements established in sections 61.41 through 61.49 of the Commission's rules.² The TRPs display basic data on rate development in a consistent manner, thereby facilitating review of the ILEC rate revisions by the Commission and interested parties.³ The annual TRPs have served this purpose effectively in past years.

2. Based on the Bureau's experience in reviewing the TRPs in prior years, the submission by the price cap ILECs of the short form TRP on May 1, 2002, together with comments and replies by interested parties will aid the Bureau in analyzing the annual demand and rate revisions to be effective July 2, 2002. Section II, below, details modifications to the TRP. Appendix A describes filing procedures applicable to the price cap ILECs that will make a 2002 annual access tariff filing.

3. As in previous years, the short form TRP requests information from the price cap ILECs that does not involve the computation of rates that will be effective on July 2, 2002. Consequently, as we explain further below, this version of the TRP will contain the IND1 form (partly filled out), the TGT form (partly filled out), and the EXG1 form (completely filled out).

¹ The filing date along with comment and reply periods will be specified in a separate order.

² 47 C.F.R. §§ 61.41 - 61.49.

³ TRP formats for the annual filings are developed for the specific circumstances of the calendar year in which the revised rates will become effective. We refer to the TRPs discussed in this document as the 2002 TRPs.

PRICE CAP TARIFF REVIEW PLAN

4. In the *LEC Price Cap Order*,⁴ the Commission adopted price cap regulation for certain ILECs, effective January 1, 1991. Companies that currently file interstate access tariffs pursuant to the price cap rules include the Regional Bell Operating Companies—BellSouth Telecommunications Inc., Qwest Corporation, SBC Communications, and Verizon Telephone Companies.⁵ Other telephone companies subject to price cap rules are Aliant Communications Company (Aliant)⁶, Cincinnati Bell Telephone Company, Citizens Telecommunications Companies (Citizens), Frontier Communications of Minnesota and Iowa, Frontier Communications of Rochester, Iowa Telecommunications Incorporated, Sprint Local Telephone Companies (Sprint LTCs), and Valor Telecommunications Enterprises LLC. Any other company may elect price cap regulation as part of its 2002 annual filing. All companies that file pursuant to price cap regulation in the 2002 annual filing should file the price cap TRPs outlined below and contained in Appendix B.

A. Modifications to the TRP

5. In the 2002 Annual Access TRP, we have adopted certain changes to the previous TRP of July 1, 2001. These modifications are noted in the forms and workpapers of Section B. With this filing, as in last year's, we encourage companies to produce the TRP in the WK4 format which can be created with Release 5 or later of Lotus. The Electronic Tariff Filing System of the FCC handles Lotus files in Release 5, WK4 better and with less difficulty than the corresponding WK3 version. In addition, it is possible for analysts to reformat Release 5, WK4 files in MS Excel. This facilitates our analysis of the data presented.

6. The 2002 Annual Access TRP requires those ILECs that price certain common line rate elements separately by jurisdiction within a study area to provide such prices instead of a roll up or average rate. Consequently, the TRP has increased in size to about 2.5 megabytes. Other changes pertaining to specific portions of the TRP are set forth below.

⁴ *Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Order, 5 FCC Rcd 6786 (1990) (*LEC Price Cap Order*), recon., 6 FCC Rcd 2637 (1991), further recon., 6 FCC Rcd 4524 (1991), 7 FCC Rcd 5235 (1992), *aff'd sub nom. National Rural Telecom Ass'n v. FCC*, 988 F.2d 174 (D.C. Cir. 1993).

⁵ SBC companies that will file TRPs are Ameritech Operating Company, Nevada Bell Telephone Company, Pacific Bell Telephone Company, Southern New England Telephone, and Southwestern Bell Telephone. The Verizon telephone companies that will file TRPs are the former Bell Atlantic telephone companies, former GTE System Telephone Companies, and former GTE Telephone Companies.

⁶ Aliant is owned by ALLTEL.

7. In this TRP, companies will provide a worksheet listing services that have been removed from price caps, the tariff section associated with that service, and the date and reason services have been removed from price caps. We provide the format of the worksheet in the Excluded Service section in Part B, below.

B. TRP Forms and Workpapers

1. IND1 Form

8. The IND1 form displays price cap indices (PCIs), actual price indices (APIs), service band indices (SBIs), and upper SBI limits. It is unchanged from the version in the 2001 TRP. To assist in verifying the historical indices reported in IND1, ILECs should continue to file a workpaper that identifies transmittals in which the current index levels became effective.

2. TGT Forms

9. The TGT forms show the calculations necessary to arrive at an Average Traffic Sensitive Rate (ATS) for filing carriers. Some input rows from the CALLS TRP filing have been consolidated and separate pages have been added to account for companies that have or have not reached their ATS target. All companies must fill out TGT-1 and TGT-3. Companies that have not reached the ATS target will fill out the TGT-2 form.

10. Changes from the 2001 TRP have been made to the TGT forms to allow for more complete identification of the original, current, and capped average traffic sensitive rates. In addition, we specify the details of the FCC's rules pertaining to the calculation of the average traffic sensitive rates.

3. CAP Forms

11. Changes to the CAP forms for the 2002 TRP fall into four major areas: i) changes in rate caps that affect some companies that have an average traffic sensitive rate target of \$.0095; ii) changes to reflect more accurately the rules for minimum and maximum rates on the CAP-3 form; iii) changes to allow the display of CAP revenues generated by rates that differ by jurisdiction within a study area; and iv) miscellaneous changes that fix formatting or descriptive information.

4. PCI1 Form

12. The PCI1 form displays the calculation of the PCIs for the price cap baskets and includes the following data: (1) the Gross Domestic Product Price Index (GDP-PI) measuring

inflation; (2) the productivity offset (X-Factor);⁷ (4) the exogenous cost change (Z); (5) the base-year (calendar-year 2001) revenue R for each basket; and (6) the weighting factor (w) used in computing the PCIs.

5. SUM1 Form

13. This is a summary form displaying the revenues in baskets and categories. It displays the base-year (calendar year 2001) service demand multiplied by (1) current rates, and (2) proposed rates. SUM1 is used to calculate the difference in revenues using base-year demand, under current and proposed rates.

6. EXG Forms

14. The EXG1 form displays the exogenous cost changes to the PCIs attributable to any changes in: (1) sale of exchanges; (2) FCC regulatory fees; (3) excess deferred taxes; (4) amortization of investment tax credits; (5) three columns dealing with low end adjustment calculations; (6) fees associated with Telecommunications Relay Service; (7) allocation of costs between regulated and unregulated activities; (8) North American Numbering Plan (NANPA) expenses; (9) thousands block number pooling; and (9) any other exogenous cost changes the ILECs may file.

15. The EXG2 form displays the net exogenous shifts related to bands and zones for the ATS categories.

7. RTE1 Forms

16. These forms display information used to compute the APIs, SBIs, and upper SBI limits. They display calendar year 2001 demand, current rates, proposed rates, and revenues computed by multiplying the 2001 demand by current and proposed rates. The RTE1 forms enable the Commission to verify the accuracy of "R," the revenue variable in the PCI formula that equals base period (2001) demand multiplied by rates. Demand and price data are reported in the aggregate under the primary rate elements of each category. The level of aggregation in the RTE1 forms allows rapid, consistent verification of index calculations across all companies. For the 2002 filing, this form has been augmented to include additional summations of revenues for non-zone rate elements.

8. Rate Detail Form

17. In their previous annual filings, ILECs provided a form that gave complete

⁷ The X-Factor is 6.5 percent for all filing price cap ILECs if the ATS target rate has not been met and is otherwise set equal to the inflation rate as measured by the GDPPI.

rate element detail, *i.e.*, demand, existing rates, and proposed rates. ILECs should again file this form on a 3.5-inch computer disk or CD with their 2002 annual access tariff filing. We leave unspecified the exact format of the rate detail form because each price cap ILEC has a different number of rate elements. For each rate element, however, ILECs should display the rate element name, base period demand, current rates, and proposed rates. ILECs may also include a rate identifying code. The revenue amounts for baskets and categories should be totaled to assist in verifying the agreement between this form and the revenue amounts in RTE1. The variation in the number of rate elements among ILECs prevents us from specifying the row numbers, but each row of this form should correspond to only one rate element. The rows should reflect the basket and service category sequence used in RTE1.

9. Services Excluded from Price Caps

18. For the 2002 filing, we request companies to provide a list of services not in price caps and the tariff section associated with that service. Rate element details should be provided for the following categories: Special Construction/ICBs; Packet Services (*e.g.*, ATM, Frame Relay); Switched Access Elements (*e.g.*, PICC); End User Charges (*e.g.*, USF charges, LNP); Government Services (*e.g.*, FTS); Miscellaneous/Other (*e.g.*, engineering services); and Services that were in price caps but have been removed (*e.g.*, interexchange services, Special access, trunking). Companies should provide information as to the authorization for removal. The company should identify the major service and indicate whether the rate is recurring or non-recurring.

C. Miscellaneous

19. Price Cap ILECs must submit their Form 492A for calendar years 2000 and 2001 as part of their TRP support material, and use the footnote page provided on Form 492A to explain the development of composite tax rates. As in previous annual filings, the earnings of services excluded from price cap treatment should be removed based on the assumption that the excluded services earned the same interstate rate of return as price cap services.

20. In addition to the above specifications, price cap ILECs should include with their support materials a list of all currently applicable Part 69 waivers. The list should include the following information: (1) a citation to the Commission or Bureau order granting the waiver; (2) a brief description of the waiver, including whether any new rate elements were authorized; and (3) the basket and, if applicable, service category of each rate element authorized by the waiver.

21. If ILECs file to revise their TRP after July 2, 2002, the TRP should be refiled in its entirety, rather than just the parts of the TRP that are changed. The latest TRP filed becomes the TRP of record. Other parts of the original filing, *e.g.*, portions of the explanations, description and justification, and workpapers, may be omitted if unchanged by the revision.

II. GENERAL INSTRUCTIONS

22. The following general instructions apply to all price cap ILECs. These instructions pertain to the TRPs and other documentation filed in support of access charges.

A. Certification

23. The filing of inaccurate or incomplete data may seriously detract from the ability of the Commission and interested parties to evaluate the revised rates. The price cap ILECs must certify that their historical and forecast data are accurate by including a signed statement that the support data are true, correct, and complete to the best of the carrier's knowledge. This certification will apply to all data submitted in support of revised rates, including the data that are filed in the TRP. The text of the certification is the same as that adopted in the *1987 Waiver Order*.⁸ The certification should be displayed as the last page in the binder containing each company's TRP. ILECs are also under a continuing legal obligation to correct any inaccurate or incomplete data subsequently discovered in the TRP or other support data.

B. Waivers

24. If carriers find that they are unable to provide data in the TRP, they may request a waiver. These waiver applications should demonstrate good cause for reporting a different or lower level of detail than specified and should indicate how the carrier intends to report complete TRP data in the future. Each carrier requesting any waiver of Commission rules should include all such requests in a single application. Carriers should not delay undertaking development of data for the 2002 TRP in anticipation that waiver requests will be granted.

C. Technical Instructions

25. Consistent with TRP filings in previous years, all companies that file a TRP should provide the data in a computer disk file, as detailed in the Attachments.

D. Compliance with the Paperwork Reduction Act

26. The TRPs are subject to approval by the Office of Management and Budget (OMB) in accordance with the provisions of the Paperwork Reduction Act, 44 U.S.C. §§ 3506 *et seq.* OMB has approved the TRPs through May 13, 2003. (OMB Control No. 3060-0400). In compliance with the Paperwork Reduction Act, we estimate burden-hours and place the Office of

⁸ Annual 1987 Access Tariff Filings, Petitions for Waivers of Filing Requirements, Mimeo No. 6945 (rel. Sept. 16, 1986) (*1987 Waiver Order*).

Management and Budget form number and date on the forms included in the Appendices. We note that these TRPs were developed after informal discussions with ILECs and other industry representatives. We minimize the regulatory burden on the ILECs by deleting obsolete sections of the TRP that have not proved useful, and carriers need not file historical data that have been filed in previous years. Overall, the burden this year is unchanged from that imposed by the 2001 annual access charge tariff filings.

E. Procedural Matters

27. A copy of this document and all attachments will be available for inspection at the Reference Information Center, Federal Communications Commission, Room CY-A257. The Commission will publish the text of this document in the FCC Record. Copies of Appendices can be obtained through the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402. Further details regarding the procedures applicable to the 2002 annual access tariff filings are provided in the Appendices.

FEDERAL COMMUNICATIONS COMMISSION

Tamara L. Preiss
Chief, Pricing Policy Division
Wireline Competition Bureau

Appendix A

Filing Procedures for Price Cap Companies filing TRPs on May 1, 2002, June 17 and June 25, 2002

1. The TRPs contained in Appendix B for price cap carriers are applicable to ILECs filing rate revisions on June 17, 2002, or June 25, 2002. Price cap carriers must also file the Short Form TRP on May 1, 2002. If an ILEC has only rate decreases, TRPs can be filed a week before the rates become effective. All correspondence and comments in connection with these filings should be designated "2002 Annual Access Charge Tariff Filings."

A. TRP Filing Requirements

2. In addition to filing their TRPs electronically through the Electronic Tariff Filing System, ILECs should also file their TRPs on diskette or CDs. ILECs should consult the distribution table at the end of this Appendix A, as to where to distribute their TRP copies. ILECs that maintain a Washington, D.C. office should have their Washington, D.C. office file their diskettes. ILECs that do not have a Washington, D.C. office are to send their diskettes via Overnight Courier, addressed to Raj Kannan, Pricing Policy Division, Wireline Competition Bureau, 5-A207, 445 12th Street S.W., Washington, D.C. 20554.

3. To facilitate identification and cataloging of the price cap index revisions filing, carriers should note that:

a. ILECs using more recent versions of Lotus should nevertheless save the TRP in a Lotus Release-5 file; *i.e.* a Lotus 123 Release 5, WK4 file. A computer virus check must be conducted before the disk is sent, and the Division urges the ILECs to re-check the disk before filing. The computer file on the disk should be named COSAAN01 where "COSA" is the 4-character company study area code.

b. ILECs should also file their TRPs using the Electronic Tariff Filing System (ETFS). Carriers experiencing any difficulty using ETFS may contact Geneva Butler of the Pricing Policy Division at 202-418-1559.

B. Comments and Replies

4. Comments on the annual access TRPs may be filed according to the schedule set out in a separate order.⁹ Parties filing pleadings are encouraged to use ETFS

⁹ *In the Matter of July 2, 2002 Annual Access Charge Tariff Filing*, WCB/Pricing 02-12, Order, DA 02-970 (Pricing Policy Division, released Apr. 26, 2002).

in order to facilitate access to these documents. Petitioners and carriers filing electronically on the ETFS will **not** be required to file copies with the Pricing Policy Division or Qualex. Comments should be addressed to the Commission’s Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. Parties should send three paper copies of their filing to Raj Kannan, Pricing Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, SW, Room 5-A207, Washington, DC 20554. Parties should also send one copy to the Commission’s duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: 202-863-2893, facsimile: 202-863-2898, or via e-mail: qualexint@aol.com.

5. Filings may be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. The following chart summarizes this information:

TYPE OF DELIVERY	PROPER DELIVERY ADDRESS
Hand-delivered paper filings	Vistrionix, Inc. 236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002 (Weekdays - 8:00 a.m. to 7:00 p.m.)
Commercial delivered documents (e.g., Federal Express) including documents sent by overnight mail (this type excludes USPS Express and Priority Mail)	9300 East Hampton Drive, Capitol Heights, MD 20743 (Weekdays - 8:00 a.m. to 5:30 p.m.)
USPS First-Class, Express, and Priority Mail	445 12th Street, SW Washington, DC 20554

Petitioners and carriers filing in paper format should file their originals with the Secretary as

specified above, with copies to the Chief, Pricing Policy Division at 445 12th Street, SW, 5-A207, Washington, DC 20554, and Qualex. Petitioners and carriers filing electronically on the ETFS will **not** be required to file copies with the Pricing Policy Division or Qualex. For the purpose of this tariff proceeding, any petitions and reply comments filed on the ETFS will be considered officially filed with the Commission. We caution parties that the Commission's Electronic Comment Filing System (ECFS) will not accept these petitions and replies. We also invite members of the general public to submit one copy of their comments, without regard to form, by letter to the Secretary, 445 12th Street, SW, Washington, DC 20554.

C. SERVICE

6. Because there is limited time available for review of the petitions and replies, we establish the following service requirements for these filings. On the date one of these filings is submitted to the Commission, it shall be served upon the filing local exchange carrier or the petitioner, respectively, or their attorney or other duly constituted agent by personal delivery or by facsimile transmission.¹⁰ Parties are instructed to provide contact persons and facsimile numbers in their filings. Parties filing petitions and replies electronically are reminded they are still required to serve copies in accordance with these rules as stated herein.

D. Public Information

7. Copies of these filings and related correspondence will be available for inspection in the Reference Information Center, located at Room CY-A257, Federal Communications Commission, 445 12th Street S.W. Copies may also be obtained from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, DC 20554, (telephone: 202/863-2893), fax: 202-863-2898, e-mail qualexint@aol.com). For more information, contact Raj Kannan at 202/418-1540, Wireline Competition Bureau, Pricing Policy Division.

¹⁰ 47 C.F.R. §§ 1.773(a)(4) and (b)(3). We waive any inconsistent portions of section 1.47(d) of the Commission's rules.

**Filing Distribution List For
2002 Annual Access Tariff Charges**

Location	Number of Copies	
	<u>Trans. Letter</u>	<u>TRP Disk/CD</u>
Public Reference Copy 445 12th Street S.W. Room CY-A257	1	1
Qualex 445 12th Street S.W. Room CY-B402	1	1
Raj Kannan Competitive Pricing Div. 445 12th Street S.W. Room 5A-207	1	2

Note: Please attach a copy of the transmittal letter to your TRP diskette so that we may identify the carrier submitting the TRP easily. Since carriers are no longer able to deliver these packages directly to each recipient, it is extremely important that they be properly labeled.

Appendix B

Price Cap Tariff Review Plan

Approved by OMB

3060-0400

Expires May 13, 2003

See below for information regarding public
burden estimate.

NOTICE: These Tariff Review Plans (TRPs) contain summary support material that certain local exchange carriers (LECs) should file to support their annual access charge tariff filings in partial fulfillment of Sections 61.38 and 61.44 through 61.49 of the Commission's Rules. The TRPs specify basic information in a consistent format and are essential components of the Commission's access tariff review process. The information in the TRPs is used by the FCC to evaluate rates. Public reporting burden for this collection of information is estimated to average 61 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Federal Communications Commission, Office of Managing Director, Washington, DC 20554, and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503.



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Double Click Icon

Short Form TRP



ANTRP_02.wk4

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Long Form TRP