

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

In the Matter of	)	
	)	
Petition of ACS of Anchorage, Inc.,	)	
ACS of Alaska, Inc., and	)	
ACS of Fairbanks, Inc.	)	WCB/ Pricing File No. 10-02
for Pricing Flexibility	)	
Pursuant to Sections 69.709 and 69.711	)	
of the Commission's Rules	)	

**ORDER**

**Adopted: June 2, 2010**

**Released: June 2, 2010**

By the Chief, Wireline Competition Bureau:

**I. INTRODUCTION**

1. In this order, we grant the petition for Phase I and Phase II pricing flexibility filed by ACS of Anchorage, Inc., ACS of Alaska, Inc., and ACS of Fairbanks, Inc. for the Anchorage Metropolitan Statistical Area (MSA), the Juneau non-MSA area, and the Fairbanks MSA.<sup>1</sup> This action will give the ACS LECs pricing flexibility for special access and dedicated transport services pursuant to the rules established in the Commission's *Pricing Flexibility Order*.<sup>2</sup> Granting pricing flexibility to the ACS LECs will further the public interest by helping to ensure that Commission regulations do not unduly interfere with the operation of the markets for special access and dedicated transport services.<sup>3</sup>

**II. BACKGROUND**

2. In their Petition, the ACS LECs specifically seek: (1) Phase I and Phase II pricing flexibility for dedicated transport and special access services, other than channel terminations between

<sup>1</sup> See Petition of ACS of Anchorage, Inc., ACS of Alaska, Inc., and ACS of Fairbanks, Inc. for Phase II Pricing Flexibility Pursuant to Sections 69.709 and 69.711 of the Commission's Rules (filed Jan. 29, 2010) (Petition) (ACS of Anchorage, Inc., ACS of Alaska, Inc., and ACS of Fairbanks, Inc. are referred to herein, collectively as the ACS local exchange carriers or ACS LECs). A list of the specific services for which the ACS LECs seeks pricing flexibility can be found in the Appendix to this order. On April 7, 2010, the ACS LECs filed an *ex parte* letter clarifying, *inter alia*, that they seek both Phase I and Phase II pricing flexibility relief for the areas covered by their Petition, even though the Petition requested only Phase II relief. See Letter from Karen Brinkmann and Jarrett S. Taubman, Counsel to ACS LECs, to Marlene H. Dortch, Secretary, Federal Communications Commission, WCB/Pricing File No. 10-02 (filed April 7, 2010) (ACS *Ex Parte* Letter).

<sup>2</sup> See *Access Charge Reform*, CC Docket No. 96-262, Fifth Report and Order, 14 FCC Rcd 14221 (1999) (*Pricing Flexibility Order*), *aff'd*, *WorldCom v. FCC*, 238 F.3d 449 (D.C. Cir. 2001).

<sup>3</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14224, para. 1.

their end offices and end-user customer premises; and (2) Phase I and Phase II relief for channel terminations between their end offices and end-user customer premises (end-user channel terminations), pursuant to sections 1.774 and 69.701 *et seq.* of the Commission's rules.<sup>4</sup> On February 16, 2010, the Commission issued a public notice seeking comment on the Petition.<sup>5</sup> As described below, we conclude that the ACS LECs have met the applicable requirements for each of the various services in the MSAs for which they request relief.

3. To recover the costs of providing interstate access services, incumbent LECs charge interexchange carriers (IXCs) and end users for access services in accordance with the Commission's Part 69 access charge rules.<sup>6</sup> In the *Access Charge Reform First Report and Order*, the Commission adopted a market-based approach to access charge reform, pursuant to which it would relax restrictions on incumbent LEC pricing as competition emerges.<sup>7</sup> At that time, the Commission deferred resolution of the specific timing and degree of pricing flexibility to a future order.<sup>8</sup> Subsequently, in the *Pricing Flexibility Order*, the Commission provided detailed rules for implementing the market-based approach.<sup>9</sup>

4. The framework the Commission adopted in the *Pricing Flexibility Order* grants progressively greater flexibility to LECs subject to price cap regulation as competition develops, while ensuring that price cap LECs: (1) do not use pricing flexibility to deter efficient entry or engage in exclusionary pricing behavior; and (2) do not increase rates to unreasonable levels for customers that lack competitive alternatives.<sup>10</sup> In addition, the pricing flexibility rules are intended to facilitate the removal of

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<sup>4</sup> 47 C.F.R. §§ 1.774, 69.701 *et seq.*

<sup>5</sup> *Pleading Cycle Established for Petitions for Phase II Pricing Flexibility Pursuant to Section 69.709 and 69.711 of the Commission's Rules*, WCB/Pricing File No. 10-02, Public Notice, DA 10-254 (Wireline Comp. Bur. rel. Feb. 16, 2010); *See* Comments of General Communication, Inc., WCB/Pricing File No. 10-02 (filed March 3, 2010) (GCI Opposition); Reply Comments of ACS of Anchorage, Inc., ACS of Alaska, Inc., and ACS of Fairbanks, Inc., WCB/Pricing File No. 10-02 (filed March 15, 2010) (ACS Reply).

<sup>6</sup> 47 C.F.R. Part 69. Part 69 establishes two basic categories of access services: special access services and switched access services. *Compare* 47 C.F.R. § 69.114 with 47 C.F.R. § 69.106. Special access services employ dedicated facilities between the end user and an IXC point of presence (POP), the physical point where an IXC connects its network with the LEC network. Charges for special access services generally are divided into channel termination charges and interoffice facility charges. Channel termination charges (which can include a flat-rated charge and a mileage component) recover the costs of facilities between the customer's premises and the LEC end office and the costs of facilities between the IXC POP and the LEC serving wire center. *See* 47 C.F.R. § 69.703(a). Interoffice facility charges recover the costs of facilities between the LEC serving wire center and the LEC end office serving the end user. *See Pricing Flexibility Order*, 14 FCC Rcd at 14226-27, paras. 8-10. For the interoffice facility, carriers often have separate termination and mileage charges.

<sup>7</sup> *Access Charge Reform*, CC Docket No. 96-262, First Report and Order, 12 FCC Rcd 15982 (1997) (*Access Charge Reform First Report and Order*), *aff'd*, *Southwestern Bell Tel. Co. v. FCC*, 153 F.3d 523 (8th Cir. 1998).

<sup>8</sup> *Access Charge Reform First Report and Order*, 12 FCC Rcd at 15989, para. 14.

<sup>9</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14225, para. 4.

<sup>10</sup> *Id.* at 14225, para. 3. The Commission instituted price cap regulation for the Regional Bell Operating Companies (RBOCs) and GTE in 1991, and permitted other LECs to adopt price cap regulation voluntarily, subject to certain conditions. *Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Second Report and Order, 5 FCC Rcd 6786, 6818-20, paras. 262-79 (1990). The *Pricing Flexibility Order* applies only to LECs that are subject to price cap regulation. *Pricing Flexibility Order*, 14 FCC Rcd at 14224, para. 1 n.1.

services from price cap regulation as competition develops in the marketplace, without imposing undue administrative burdens on the Commission or the industry.<sup>11</sup>

5. In keeping with these goals, the Commission established a framework for granting price cap LECs greater flexibility in the pricing of interstate access services once they make a competitive showing, or satisfy certain “triggers,” to demonstrate that market conditions in a particular area warrant the relief they seek. Pricing flexibility for special access and dedicated transport services<sup>12</sup> is available in two phases, Phase I and Phase II, based on an analysis of competitive conditions in individual MSAs or non-MSA parts of a study area.<sup>13</sup> Pricing flexibility for channel termination services<sup>14</sup> is also available in two phases, based on an analysis of competitive conditions in individual MSAs or non-MSA parts of the study area.<sup>15</sup> The ACS LECs seeks Phase I and Phase II pricing flexibility for the Anchorage MSA, the Juneau non-MSA area, and the Fairbanks MSA.

6. Phase I Pricing Flexibility. A price cap LEC that obtains Phase I relief is allowed to offer, on one day’s notice, contract tariffs<sup>16</sup> and volume and term discounts for qualifying services, so long as the services provided pursuant to contract are removed from price caps.<sup>17</sup> To protect those customers that may lack competitive alternatives, a price cap LEC receiving Phase I flexibility must maintain its generally available, price cap-constrained, tariffed rates for these services.<sup>18</sup> To obtain Phase I relief, a price cap LEC must meet triggers designed to demonstrate that competitors have made irreversible, sunk investments in the facilities needed to provide the services at issue.<sup>19</sup> In particular, to receive pricing flexibility for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 15 percent of the LEC’s wire centers within an MSA, or have collocated in wire centers accounting for 30 percent of the LEC’s revenues from these services within an MSA.<sup>20</sup> In both

<sup>11</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14225, para. 3.

<sup>12</sup> For purposes of pricing flexibility proceedings, “dedicated transport services” refer to services associated with entrance facilities, direct-trunked transport, and the dedicated component of tandem-switched transport. *Id.* at 14234, para. 24 n.54. These services are defined in 47 C.F.R. § 69.2(o) (direct-trunked transport), § 69.2(qq) (entrance facilities), and § 69.2(ss) (tandem-switched transport).

<sup>13</sup> See 47 C.F.R. § 22.909(a) (definition of MSA). See also *Pricing Flexibility Order*, 14 FCC Rcd at 14261, para. 76 (pricing flexibility will be granted to price cap LECs within the non-MSA parts of a study area if they satisfy the applicable triggers throughout these parts).

<sup>14</sup> For purposes of pricing flexibility proceedings, a channel termination between a LEC end office and a customer premises is defined as a “dedicated channel connecting a LEC end office and a customer premises, offered for purposes of carrying special access traffic.” 47 C.F.R. § 69.703(a)(2).

<sup>15</sup> See *supra* note 13.

<sup>16</sup> A contract tariff is a tariff based on an individually negotiated service contract. See *Competition in the Interstate Interexchange Marketplace*, CC Docket No. 90-132, Report and Order, 6 FCC Rcd 5880, 5897, para. 91 (1991) (*Interexchange Competition Order*); 47 C.F.R. § 61.3(o). See also 47 C.F.R. § 61.55 (describing required composition of contract-based tariffs).

<sup>17</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14287-88, para. 122.

<sup>18</sup> *Id.* at 14234-35, para. 24.

<sup>19</sup> *Id.* at 14234-35, 14274, paras. 24, 94.

<sup>20</sup> *Id.* at 14274-77, paras. 95-98; 47 C.F.R. § 69.709(b).

cases, the price cap LEC also must show, with respect to each wire center used to satisfy the trigger, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.<sup>21</sup>

7. Higher thresholds apply for obtaining Phase I pricing flexibility for channel terminations between a LEC's end office and an end user customer. A competitor collocating in a LEC end office continues to rely on the LEC's facilities for the channel termination between the end office and the customer premises, at least initially, and thus is more susceptible to exclusionary pricing behavior by the LEC.<sup>22</sup> As a result, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues from these services within an MSA.<sup>23</sup> Again, the LEC also must demonstrate, with respect to each wire center used to satisfy the trigger, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.<sup>24</sup>

8. Phase II Pricing Flexibility. A price cap LEC that receives Phase II relief is allowed to offer dedicated transport and special access services free from the Commission's Part 69 rate structure and Part 61 price cap rules.<sup>25</sup> The LEC, however, may file, on one day's notice, generally available tariffs for those services for which it receives Phase II relief.<sup>26</sup> To obtain Phase II relief, a price cap LEC must meet triggers designed to demonstrate that competition for the services at issue within the MSA is sufficient to preclude the incumbent from exploiting any individual market power over a sustained period. To obtain Phase II relief for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues from these services within an MSA.<sup>27</sup> The LEC also must demonstrate, with respect to each wire center used to satisfy the trigger, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.<sup>28</sup>

9. Higher thresholds apply for obtaining Phase II pricing flexibility relief for channel terminations between a LEC end office and an end user customer. To obtain such relief, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 65 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 85 percent of the LEC's revenues from these services within an MSA.<sup>29</sup> To obtain Phase II relief for channel terminations to end

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<sup>21</sup> 47 C.F.R. § 69.709(b).

<sup>22</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14278-79, paras. 102-103.

<sup>23</sup> *Id.* at 14280-81, paras. 105-06; 47 C.F.R. §§ 69.711(a), (b).

<sup>24</sup> 47 C.F.R. §§ 69.711(a), (b).

<sup>25</sup> *See Pricing Flexibility Order*, 14 FCC Rcd at 14301, para. 153.

<sup>26</sup> *Id.*; 47 C.F.R. § 69.727(b)(3).

<sup>27</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14299, paras. 148-49; 47 C.F.R. § 69.709(c).

<sup>28</sup> 47 C.F.R. § 69.709(c).

<sup>29</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14235, 14299-300, paras. 25, 150; 47 C.F.R. § 69.711(c).

users, the LEC also must demonstrate, with respect to each wire center used to satisfy the trigger, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.<sup>30</sup>

10. Competitive Showing. Pricing flexibility may be granted upon the satisfaction of certain competitive showings. An incumbent LEC bears the burden of proving that it has satisfied the applicable triggers for the pricing flexibility it seeks for each MSA.<sup>31</sup> For special access and dedicated transport services, and channel termination services, the incumbent must identify: (1) the total number of wire centers in the MSA; (2) the number and location of the wire centers in which competitors have collocated; and (3) in each wire center on which the incumbent bases its petition, the name of at least one collocator that uses transport facilities owned by a provider other than the incumbent to transport traffic from that wire center.<sup>32</sup> In addition to these three requirements, the petitioner must show either: (A) that the percentage of wire centers in which competitors have collocated and use competitive transport satisfies the trigger the Commission adopted with respect to the pricing flexibility sought by the incumbent LEC;<sup>33</sup> or (B) that the percentage of total base period<sup>34</sup> revenues that are attributable to the wire centers upon which the petitioner relies satisfies the applicable pricing flexibility triggers.<sup>35</sup>

### III. DISCUSSION

11. The ACS LECs seek Phase I and Phase II pricing flexibility for the Anchorage MSA, the Juneau non-MSA area, and the Fairbanks MSA. Specifically, the ACS LECs seek: (1) Phase I and Phase II pricing flexibility for dedicated transport and special access services, other than channel terminations between their end offices and end-user customer premises; and (2) Phase I and Phase II relief for channel terminations between their end offices and end-user customer premises (end-user channel terminations). As noted above, pricing flexibility may be granted upon the satisfaction of certain competitive showings. An incumbent LEC bears the burden of proving that it has satisfied the applicable triggers for the pricing flexibility it seeks for each MSA.<sup>36</sup>

12. The ACS LECs have demonstrated compliance with the requirements for Phase I and Phase II pricing flexibility. They have provided sufficient information to demonstrate that they meet the applicable pricing flexibility triggers for the relief they have requested. As explained in greater detail below, to make this showing, the ACS LECs assigned wire centers to individual MSAs and identified wire centers within each MSA where service providers have obtained collocation with alternative facilities other than ACS LEC-provided transport.<sup>37</sup> The ACS LECs also gathered revenue data and

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<sup>30</sup> 47 C.F.R. § 69.711(c).

<sup>31</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14309, para. 172.

<sup>32</sup> 47 C.F.R. § 1.774(a)(3)(i)-(iii).

<sup>33</sup> 47 C.F.R. § 1.774(a)(3)(iv)(A).

<sup>34</sup> For price cap LECs, the “base period” is the 12-month period ending six months before the effective date of the LECs’ annual access tariffs. 47 C.F.R. § 61.3(g).

<sup>35</sup> The revenues applicable to this requirement are those generated by the services for which the incumbent seeks relief. 47 C.F.R. § 1.774(a)(3)(iv)(B).

<sup>36</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14309, para. 172.

<sup>37</sup> Petition, Attach. B.

assigned it either to dedicated transport and special access services (other than channel terminations to end users), or to channel terminations between an end user's premises and the ACS LEC end offices.<sup>38</sup>

13. The ACS LECs demonstrated that they qualify for pricing flexibility in the MSAs at issue by: (1) identifying wire centers within each MSA; (2) identifying wire centers within each MSA where service providers have obtained collocation with alternative facilities other than ACS LEC-provided transport; (3) identifying revenue attributable to qualifying dedicated transport and special access services (other than channel terminations to end users) for each wire center within the MSAs; (4) identifying revenue attributable to channel terminations between an end user's premises and the ACS LEC end offices for each wire center within the MSAs; and (5) calculating the percentage of such revenues earned in the collocated wire centers in the individual MSA areas.<sup>39</sup>

14. To identify wire centers with collocation, the ACS LECs: (1) interviewed regional general managers of ACS to identify candidate wire centers; (2) evaluated collocation billing records to identify competitive service providers collocated at these wire centers and using non-ACS transport facilities; and (3) tasked field personnel with physically verifying that the candidate wire centers were, in fact, "Qualifying Wire Centers" in which competitors are collocated and using non-ACS transport facilities.<sup>40</sup> In accordance with the Commission's rules, the ACS LECs served a copy of their Petition on each of the collocating carriers upon which they relied, including, for each collocator, the information about that party upon which the ACS LECs relied in their Petition.<sup>41</sup> We note that no party disputed the data that the ACS LECs used in support of their Petition.

15. To ascertain revenue associated with the dedicated transport and special access services (other than end-user channel termination services) listed in Attachment A of the Petition, as well as end-user channel termination services, the ACS LECs "broke down January 2010 base period demand by wire center and rate element, using data from their Carrier Access Billing System, which maintains records for each ACS circuit."<sup>42</sup> The ACS LECs state that generally: (1) where a circuit record identified a single ACS wire center, 100 percent of associated demand was attributed to that wire center; (2) where a circuit record identified two ACS wire centers, 50 percent of associated demand was attributed to each wire center; and (3) where a circuit record identified an ACS wire center and a wire center operated by a competitor, 100 percent of the associated demand was attributed to the ACS wire center.<sup>43</sup>

16. The ACS LECs calculated revenue by wire center by multiplying rates by demand.<sup>44</sup> Next, they compared the sum of the revenues calculated for each Qualifying Wire Center with the sum of

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<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> Petition, Attach. C at 1.

<sup>41</sup> Petition, Attach. D; *see also* 47 C.F.R. § 1.774(e)(1)(ii).

<sup>42</sup> Petition, Attach. C at 1.

<sup>43</sup> *Id.* The ACS LECs state that where necessary, these data were further examined to ensure that they were used properly. For example, "circuit records with respect to channel terminations at offices serving IXC POPs were examined to determine whether the channel termination was a carrier's POP." *Id.*

<sup>44</sup> *Id.*

the revenues filed in the ACS LECs' most recent price-cap filing to ensure accuracy.<sup>45</sup> The ACS LECs then sorted revenues attributable to the Anchorage MSA, Juneau non-MSA Area, or Fairbanks MSA by category and wire center, and aggregated revenues by wire center into the general categories of dedicated transport and special access (DT/SA) Revenues and End-User Channel Termination Revenues. They note that they were careful to distinguish between channel terminations provided to an end-user premise and channel terminations provided to an IXC POP.<sup>46</sup>

17. Finally, the ACS LECs identified the percentage of DT/SA Revenues and End-User Channel Termination Revenues attributable to each of the Qualifying Wire Centers.<sup>47</sup> They used the same methodology employed throughout the process to attribute rate elements to specific wire centers, and to determine the DT/SA Revenues attributable to Qualifying Wire Centers and End-User Channel Termination Revenues attributable to Qualifying Wire Centers in the Anchorage MSA, Juneau Area, and Fairbanks MSA. Next, for each of these areas, the ACS LECs divided the Qualifying DT/SA Revenues by total DT/SA Revenues, and the Qualifying End-User Channel Termination Revenues by total End-User Channel Termination Revenues. The ACS LECs state that, in each case, the resulting values exceed the applicable revenue triggers set forth in sections 69.709 and 69.711 of the Commission's rules.<sup>48</sup>

18. We reject the arguments made in the opposition filed by GCI. GCI does not dispute that the ACS LECs meet the applicable triggers for a grant of pricing flexibility, but GCI raises a collateral challenge related to the state of competition in the special access marketplace. In particular, GCI urges the Commission "to delay ruling on the Petition while it evaluates whether 'the pricing flexibility rules are working properly to ensure just and reasonable rates, terms, and conditions' in connection with its *Special Access NPRM*."<sup>49</sup> GCI notes that one of the key questions under consideration in the rulemaking is whether "the pricing flexibility triggers, which are based on collocation by competitive carriers, [are] an accurate proxy for the kind of sunk investment by competitors that is sufficient to constrain incumbent LEC prices."<sup>50</sup> We have stated repeatedly that we will not consider collateral challenges to the adequacy of the pricing flexibility rules when reviewing a pricing flexibility petition.<sup>51</sup> The only issue appropriately

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<sup>45</sup> *Id.*; ACS *Ex Parte* Letter at 2.

<sup>46</sup> Petition, Attach. C at 1-2. The ACS LECs note that they made this determination based on the nature of the associated rate element, in a manner "consistent with the methodology" used to populate the revenues from channel terminations on form RTE-1 of the Commission's Tariff Review Plan. *Id.* at 2 n.5.

<sup>47</sup> *Id.* at 2.

<sup>48</sup> *Id.*

<sup>49</sup> GCI Opposition at 1 (citing *Parties Asked to Comment on Analytical Framework Necessary to Resolve Issues in the Special Access NPRM*, Public Notice, WC Docket No. 05-25, RM-10593, at 2 (rel. Nov. 5, 2009) (*Public Notice*); *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25, AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange carrier rates for Interstate Special Access Services, RM-10593, Order and Notice of Proposed Rulemaking, 20 FCC Rcd 1994 (*Special Access NPRM*)).

<sup>50</sup> GCI Opposition at 2 (citing *Public Notice* at 2).

<sup>51</sup> See *Petition of Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Ameritech Wisconsin for Pricing Flexibility*, *Petition of Pacific Bell Telephone Company for Pricing Flexibility*, *Petition of Southwestern Bell Telephone Company for Pricing Flexibility*, CCB/CPD Nos. 00-23, 00-25 and 00-26, Memorandum Opinion and Order, 16 FCC Rcd 5889, 5894, para. 13 (Com. Car. Bur. 2001); *Verizon Petitions for Pricing Flexibility for Special Access and Dedicated Transport Services*, CCB/CPD Nos. 00-24, 00-28, (continued....)

before us is whether the Petition satisfies the current requirements for pricing flexibility set forth in the Commission's rules.

19. After reviewing the ACS LECs' verification method as described in the Petition and the data provided in the public and confidential versions of the Petition, we find that the ACS LECs have met the applicable triggers in section 1.774 and Part 69, Subpart H of the Commission's rules.<sup>52</sup> Based upon this review, we conclude that the ACS LECs have satisfied their burden of demonstrating that they have met the applicable requirements for each of the services in the MSAs for which they request relief.

#### IV. ORDERING CLAUSE

20. Accordingly, IT IS ORDERED that, pursuant to section 1.774 of the Commission's rules, 47 C.F.R. § 1.774, the *Pricing Flexibility Order*, and the authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the Petition filed by the ACS LECs IS GRANTED to the extent detailed herein.

FEDERAL COMMUNICATIONS COMMISSION

Sharon E. Gillett  
Chief, Wireline Competition Bureau

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Memorandum Opinion and Order, 16 FCC Rcd 5876, 5881, para. 11 (Wireline Comp. Bur. 2001). *See also* *Petition of Cincinnati Bell Telephone Company LLC for Phase I Pricing Flexibility for Special Access, Dedicated Transport Services and End-User Channel Terminations, and Phase II Pricing Flexibility for POP Channel Terminations in the Cincinnati, Ohio-Kentucky-Indiana Metropolitan Statistical Area, and Phase I Pricing Flexibility for Special Access, Dedicated Transport Services and POP Channel Terminations in the Hamilton-Middletown, Ohio Metropolitan Statistical Area*, WCB/ Pricing File No. 07-20, 23 FCC Rcd 4046 (Wireline Comp. Bur. 2008).

<sup>52</sup> 47 C.F.R. §§ 1.774 and 69.701 *et seq.*



APPENDIX

Qualifying Services

**Special Access Basket**

Metallic  
Voice Grade  
Program Audio  
Video  
Digital Data Service  
DS1  
DS3  
DSL  
Synchronous Optical Channel Service  
Transparent LAN Service\*  
Ethernet Transport Service

\*Only offered by ACS of Anchorage, Inc.

**Trunking Basket**

Voice Grade  
DS1  
DS3