



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Released: February 5, 1998

U S West Petitions for Imposition of End User Common Line Charges CC Docket No. 97-149

Pleading Cycle Established

COMMENTS: March 9, 1998

REPLY COMMENTS: March 25, 1998

On February 2, 1998, U S West Communications, Inc. (U S West) filed a petition for temporary waiver of Sections 61.45(d), 61.46(d) and 69.152 of the Commission's Rules, 47 C.F.R. §§ 61.45(d), 61.46(d) and 69.152. U S West seeks permission to allow it to impose End User Common Line (EUCL) charges on multi-line business customers in excess of the amounts prescribed by Section 69.152 (without reducing its Carrier Common Line (CCL) charges as required by Section 61.46(d)) and to make a corresponding exogenous cost adjustment to its price cap index (PCI).

U S West states that this waiver is necessary to enable it to file a tariff to recover from multi-line business customers the amounts, determined by the Commission, that U S West did not fully recover from those customers during the period July 1, 1997 through December 31, 1997. U S West asserts that, once the tariff takes effect, it will proceed to refund to the interexchange carriers (IXCs), as directed by the Commission, CCL charges with respect to that same period.

U S West states that in the *Refund Order* the Commission concluded that the number of local exchange carriers (LECs), including U S West had underforecasted their Base Factor Portion (BFP) over the years.¹ The Commission then prescribed a BFP forecasts, using the autoregressive method based on historic BFP data.² Each LEC was to use the prescribed BFP to recalculate their EUCL charges, CCL charge and PICCs for tariff year 1997/98.³ U S West states that the Commission did not specifically authorize LECs to charge the recalculated EUCL rates for the period July, 1997 through December of 1997.

U S West claims that the BFP issue involves no disallowance, and it raises no challenge to the legitimacy of U S West's Common Line revenue requirement. It insists that the issue is one of the appropriate apportionment of that revenue requirement between end users and IXCs. U S West asserts

¹ In the Matter of 1997 Annual Access Tariff Filings, CC Docket No. 97-149, Memorandum Opinion and Order, FCC 97-403, rel. Dec. 1, 1997, ¶ 49 (Refund Order).

² Id. ¶ 83.

³ Id. ¶ 84.

that if the Commission's *Refund Order* stands,⁴ it will have the effect of disallowing a substantial portion of U S West's Common Line revenue requirement, unless U S West is allowed to collect from its end users the amount it would have charged them had its BFP forecast matched the Commission's subsequent prescription.

U S West proposes that, in each state, it will add to its multi-line business EUCL rate an amount equal to the difference between the rate determined as prescribed by the Commission and the rate filed by U S West in its annual access filing. The incremental charge will remain in effect for six months from the date it takes effect. U S West states that once the tariff change to implement the temporary charge becomes effective, it will make refunds to the IXCs, as prescribed by the Commission. U S West asserts that to implement its proposal it requires a waiver of Section 69.152 of the Commission's Rules, 47 C.F.R. §69.152, which limits the multi-line business EUCL to one-twelfth of the EUCL annual revenue requirement.

U S West states that its proposal also requires a waiver of Section 61.45(d) of the Commission's Rules, 47 C.F.R. § 61.45(d), which prescribes the type of exogenous cost adjustments a LEC may make to its PCI. U S West asserts that it will need to make a temporary upward exogenous adjustment to its Common Line PCI to accommodate the EUCL charges it contemplates filing, but that it will reverse the adjustment once the temporary EUCL charges have expired.

Interested parties may file comments on U S West's petition no later than **March 9, 1998**. Replies must be filed by **March 25, 1998**. When filing comments and/or replies, please reference the internal file number: **CCB/CPD 98-7**.

An original and four copies of all comments and replies must be filed in accordance with Section 1.51(c) of the Commission's Rules, 47 C.F.R. § 1.51(c). In addition, one copy of each pleading must be filed with International Transcription Services (ITS), the Commission's duplicating contractor, at its office at 1231 - 20th Street, N.W., Washington, D.C. 20036 and one copy with the Chief, Competitive Pricing Division, Room 518, 1919 M Street, N.W., Washington, D.C. 20554.

For further information contact, Wanda M. Harris, Competitive Pricing Division, Common Carrier Bureau, (202) 418-1530.

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⁴ Bell Atlantic Petition for Reconsideration filed Dec. 31, 1997. Comments of U S West filed Jan. 21, 1998.