

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

In the Matter of	)	
	)	
Investigation of GTE System Telephone	)	CC Docket No. 99-323
Companies, Transmittal No. 296	)	
FCC Tariff No.1 and	)	Transmittal No. 296
	)	
GTE System Telephone Operating Companies,	)	
Transmittal Nos. 1225 and 1226	)	
FCC Tariff Nos. 1 and 2	)	Transmittal Nos. 1225, 1226
	)	
	)	

**ORDER**

Adopted: March 14, 2000

Released: March 21, 2000

By the Commission:

1. In this order, we terminate our investigation into the tariff revisions described in the GTE System Telephone Companies (GSTC) Transmittal No. 296 and GTE Telephone Operating Companies (GSTOC) Transmittal Nos. 1225 and 1226.<sup>1</sup> As discussed below, the issues have been resolved and the investigation is moot.

2. On October 8, 1999, the Commission issued the *Fifth Circuit Implementation Order*,<sup>2</sup> which complies with the Fifth Circuit's decision<sup>3</sup> to eliminate intrastate revenues from the contribution base used to calculate universal service fund (USF) obligations. As a result of that order, GTE's universal service contributions were reduced. Under the Commission's rules, to the extent that GTE recovers its universal service contributions in interstate access charges, it was required to file tariffs reducing its access charges, correspondingly. GTE filed its transmittals in accordance with the Commission's *Fifth Circuit Implementation Order*. AT&T and MCI filed petitions to suspend and investigate the GTE transmittals on the grounds that GTE incorrectly computed its USF obligation

<sup>1</sup> GSTC and GSTOC will be referred to as "GTE," collectively and Transmittal Nos. 296, 1225, 1226 will be referred to as "GTE transmittals," collectively.

<sup>2</sup> *Federal-State Joint Board on Universal Service*, Sixteenth Order on Reconsideration in CC Docket 96-45, Eighth Report and Order in CC Docket no. 96-45, Sixth Report and Order in CC Docket no. 96-262, (rel. Oct. 8, 1999) ¶¶ 15-18 (*Fifth Circuit Implementation Order*).

<sup>3</sup> *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5<sup>th</sup> Cir. 1999).

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by failing to annualize the contribution level for November and December 1999 in its calculations. In a subsequent order, the Competitive Pricing Division (Division) of the Common Carrier Bureau found that AT&T and MCI raised a substantial question of lawfulness that warranted suspension and investigation of GTE's transmittals.<sup>4</sup>

4. Prior to the completion of the Division's investigation, GTE submitted revised tariff material that reasonably resolves the issue raised by AT&T and MCI.<sup>5</sup> Transmittal Nos. 299, 1229, and 1230 correctly apply the new USF contribution factor and annualize the contribution level for November and December 1999. For these reasons, we determine that GTE has resolved the miscalculations with respect to its USF contribution levels for November and December 1999. We therefore conclude our investigation of GTE Transmittal Nos. 296, 1225, and 1226 because the issue related to whether GTE correctly calculated its USF obligation has been resolved.

5. Accordingly, IT IS ORDERED that, pursuant to Section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), the investigation of the tariff revisions described in GTE System Telephone Companies Tariff FCC No. 1, Transmittal No. 296, and GTE Telephone Operating Companies Tariff FCC Nos. 1 and 2, Transmittal Nos. 1225 and 1226, IS TERMINATED.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas  
Secretary

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<sup>4</sup> *GTE Telephone Operating Companies Transmittal Nos. 1225 and 1226, FCC Tariff Nos. 1 & 2 and GTE System Telephone Companies, Transmittal No. 296, FCC Tariff No. 1, CC Docket No. 99-323, Order, (rel. Oct. 29, 1999) (GTE Suspension Order).*

<sup>5</sup> *See GTE System Telephone Companies, Transmittal No. 299, FCC Tariff No. 1; GTE Telephone Operating Companies Transmittal No. 1229, FCC Tariff Nos. 1 & 2; GTE Telephone Operating Companies Transmittal No. 1230, FCC Tariff FCC No. 1.*