

LOCAL SERVICE GUIDELINES

## Table of Contents

	<u>Page</u>
<b>I. Reference Section.....</b>	<b>1</b>
A. Definitions.....	1
B. Acronyms.....	5
<b>II. Certification Issues.....</b>	<b>6</b>
A. Jurisdiction.....	6
B. Nature of Certification Process.....	15
C. Serving Area.....	17
D. Local Calling Area.....	18
E. Maps.....	19
F. Abandonment Proceedings.....	19
<b>III. Interconnection.....</b>	<b>19</b>
A. Interconnection Obligation.....	19
B. Interconnection Standards.....	20
C. Bona Fide Request for Interconnection.....	21
D. Process for Negotiation and Approval of Interconnection Agreements.....	23
E. Statement of Generally Available Terms.....	26
<b>IV. Compensation for the Transport and Termination of Traffic.....</b>	<b>26</b>
A. Compensation Principles.....	26
B. Traffic Measurement.....	27
C. Local and Toll Traffic Determination.....	27
D. Compensation for Transport and Termination of Local Telecommunications Traffic.....	28
E. Transit Traffic Compensation.....	30
F. Interexchange Carrier's Access Revenue Distribution.....	30
G. Transport and Termination of Toll Traffic.....	31
H. Billing Arrangements.....	32
<b>V. Pricing Standards.....</b>	<b>33</b>
A. Resale Pricing.....	33
B. Pricing of Elements.....	35
C. Number Portability Pricing.....	44
D. Imputation Standards.....	45
E. Required Workpapers.....	47
<b>VI. Tariffing Requirements.....</b>	<b>48</b>
A. Structure.....	48
B. NEC Affiliation with CTS Providers.....	48
C. End User Tariffing Guidelines.....	48
D. Carrier-to-Carrier Tariffing Guidelines.....	50
E. Change in Terms and Conditions in Carrier's Name, and Withdrawal of Service for End User and Carrier-to-Carrier Tariffs.....	53
F. Price List Changes for End User and Carrier Resale Tariffs.....	54
G. Promotions - End User and Carrier Resale Tariffs.....	55
H. Deaveraging.....	55
I. Contractual Arrangements.....	56

# LOCAL SERVICE GUIDELINES

## Table of Contents

	<u>Page</u>
J. Fresh Look Provision.....	58
K. Termination Liability.....	59
L. Proprietary Information.....	59
M. Tariff Filing Parity.....	59
<b>VII. Filing Procedures and Registration Form.....</b>	<b>60</b>
A. Registration Form (Attachment A).....	60
B. Tariffs.....	61
C. TRF Docket.....	62
D. Time Frames.....	63
E. Suspensions.....	63
<b>VIII. Unbundling.....</b>	<b>64</b>
A. Principle.....	64
B. Minimum Requirements.....	64
C. Reciprocal Unbundling.....	64
D. General Unbundling Requirements.....	64
E. Rate Requirements.....	65
<b>IX. Resale.....</b>	<b>65</b>
A. Principle.....	65
B. Conditions for Local Service Resale.....	65
C. Restrictions on Resale.....	67
<b>X. Dialing Parity/1+ IntraLATA Presubscription.....</b>	<b>67</b>
A. Principle.....	67
B. Time Frame.....	67
C. Presubscribed Interexchange Carrier (PIC) Methodology.....	68
D. Balloting.....	68
E. Presubscription Procedures.....	69
F. Recovery of Costs of Implementation of IntraLATA Dialing Parity.....	70
<b>XI. Nondiscrimination Between Competitors.....</b>	<b>70</b>
A. Service Requests.....	70
B. Telecommunications Performance Measurement Database (TPM).....	70
C. Access to Customer Proprietary Network Information (CPNI).....	71
D. Installation and Maintenance.....	71
<b>XII. Right-of-Way.....</b>	<b>71</b>
A. Authorization.....	71
B. Rates, Terms, and Conditions.....	72
C. Coordination.....	73
D. Disputes.....	73
<b>XIII. Universal Service.....</b>	<b>73</b>
A. Definitions.....	73
B. Universal Service Fund (USF) Contributions.....	75
C. High Cost Support Program.....	76
D. Low-Income Support Program.....	76
E. Support Withdrawal Criteria.....	77
F. Universal Service Fund Administration.....	79

# LOCAL SERVICE GUIDELINES

## Table of Contents

	<u>Page</u>
<b>XIV. Number Portability.....</b>	<b>79</b>
A. Principle.....	79
B. Definitions.....	80
C. Commission Requirements.....	80
D. Ohio Permanent Service Provider Number Portability Guidelines.....	81
<b>XV. Directory Listings.....</b>	<b>82</b>
A. Requirements of Minimum Telephone Service Standards.....	82
B. Provisioning.....	82
C. Competitive Listings.....	82
D. Updates to Listings.....	83
<b>XVI. Interconnection Technical Standards.....</b>	<b>83</b>
A. Disclosure Requirements.....	83
B. Costs of Network Modifications.....	83
C. Facilities.....	83
D. Minimum Compliance.....	84
E. Availability of Technical Standards.....	84
F. Notice of Changes in Technical Requirements.....	84
G. Service Quality Compatibility.....	84
H. Federal Requirements.....	84
I. Support Functions.....	85
<b>XVII. Consumer Safeguards.....</b>	<b>85</b>
A. Customer Education.....	85
B. Marketing Practices.....	86
C. Local Service Carrier Subscription/Slamming.....	88
D. End User Complaints.....	91
<b>XVIII. Regulatory Oversight.....</b>	<b>91</b>
A. Principle.....	91
B. Monitoring of Competitive Market for Local Exchange Services.....	91
C. Resolution of Disputes Among Carriers.....	92

Appendix A, Attachment A (Registration Form)

Appendix A, Attachment B (Service Requirements Form)

**LOCAL SERVICE GUIDELINES**

**NOTE: As detailed in the Commission's Entry on Rehearing of November 7, 1996, in Case No. 95-845-TP-COI, certain sections of these guidelines, to the extent they are inconsistent with the FCC's rules, are stayed pending either a decision from the FCC on the Commission's reconsideration petition or a decision from the Eight Circuit Court on the direct appeal of the FCC's First 96-98 Order. In order to delineate those portions of the guidelines that are stayed, the affected text is italicized, emboldened, and underlined.**

**I. REFERENCE SECTION**

A. As used within this document, these terms denote the following:

**1. Basic Local Exchange Services**

Means the end user and carrier access to and usage of telephone company-provided facilities that enable customers, over a local exchange telephone company network operated within a local service area, to originate and receive voice grade, data, or image communications and to access interexchange or other networks. Resellers and/or rebillers of basic local exchange service are local exchange carrier's since they provide basic local exchange services consistent with this definition.

**2. Class A**

Class A companies means those companies having annual revenues from regulated telecommunications operations of \$100,000,000 or more.

**3. Class B**

Class B companies means those companies having annual revenues from regulated telecommunications operations of less than \$100,000,000.

**4. Dialing Parity**

Means a condition in which an entity that is not an affiliate of a local exchange carrier is able to provide telecommunications services in such a manner that customers have the ability to route automatically, without the use of any access code, their

telecommunications to the telecommunications services provider of the customers' designation between or among telecommunications service providers (including such local exchange carrier).

**5. Exchange**

Means a geographical service area established by an incumbent local exchange carrier and approved by the Commission, which usually embraces a city, town, or village and a designated surrounding or adjacent area. It typically encompasses one or more central offices, together with the associated plant used in furnishing telecommunications service to the general public. There are currently 748 exchanges in the state.

**6. Exchange Access**

Means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services.

**7. Facilities-Based Local Exchange Carrier**

Any person, firm, copartnership, voluntary association, joint-stock association, company, or corporation that owns, operates, manages, or controls plant or equipment through which it provides basic local exchange service to consumers on a common carrier basis.

**8. Incumbent Local Exchange Carrier (ILEC)**

Means, with respect to an area, the local exchange carrier that: (a) on the date of enactment of the Telecommunications Act of 1996 (1996 Act), provided basic local exchange service in such area; and (b) (i) on such date of enactment, was deemed to be a member of the exchange carrier association pursuant to C.F.R. §69.601(b); or (ii) is a person or entity that, on or after such date of enactment, became a successor or assignee of a member described in clause (i). Incumbent local exchange carriers will be referred to as ILECs throughout this document.

**9. InterLATA Service**

Means telecommunications between a point located in a local access and transport area and a point located outside such area.

**10. Local Access and Transport Area (LATA)**

As designated by the Modification of Final Judgement, United States v. Western Electric Co., (C.A. No. 82-1092), 552 F. Supp. 131 (1982), an area in which a local exchange carrier is permitted to provide service. It contains one or more local exchange areas.

**11. Local Exchange Carrier (LEC)**

Means any facilities-based and nonfacilities-based, ILECs and NECs which provide basic local exchange services to consumers on a common carrier basis. Such term does not include an entity insofar as such entity is engaged in the provision of a commercial mobile service under Section 47 U.S.C. 332(C), except to the extent that the FCC finds that such service should be included in the definition of such term.

**12. Network Element**

Means the facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.

**13. New Entrant Carrier (NEC)**

Means a local exchange carrier that: (a) (i) on the date of enactment of the 1996 Act, did not provide basic local exchange service and (ii) was not deemed to be a member of the exchange carrier association pursuant to C.F.R. §69.601(B); or (b) is not a person or entity that, on or after such date of enactment, became a successor, assign, or affiliate of such a local exchange carrier described in (a) above.

**14. Nonfacilities-Based Local Exchange Carrier**

Any person, firm, copartnership, voluntary association, joint-stock association, company, or corporation that does not own, operate, manage, or control plant or equipment but that is in the business of reselling basic local exchange service to consumers on a common carrier basis.

**15. Number Portability**

Means the ability of users of telecommunications services to retain, at the same location or within the same wire center and exchange area, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

**16. Rural Local Exchange Carrier (RLEC)**

Means a local exchange carrier operating entity to the extent that such entity:

- a. Provides common carrier service to any local exchange carrier study area that does not include either:
  - i. Any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
  - ii. Any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
- b. Provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- c. Provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- d. Has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the 1996 Act.

**17. Rural Carrier**

Means a local exchange carrier with fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide.

**18. Telecommunications Carrier**

Shall have the same meaning as a telephone company as defined in Section 4905.03(A)(2), Revised Code.

## 19. Total Element Long Run Incremental Cost (TELRIC)

For TELRIC definition, see Section V.B.4. of these guidelines.

### B. Acronyms

As used within this document, the following acronyms denote:

<b>1996 ACT</b>	The Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 U.S.C. 151, et seq.
<b>563</b>	Case No. 89-563-TP-COI
<b>564</b>	Case No. 89-564-TP-COI
<b>944</b>	Case No. 84-944-TP-COI
<b>1144</b>	Case No. 86-1144-TP-COI
<b>AAC</b>	Application to Amend its Certificate
<b>ABN</b>	Application to Abandon Service
<b>ACE</b>	Application for a Certificate
<b>AEC</b>	Application to Establish, Revise, or Cancel a Contract
<b>AIN</b>	Advanced Intelligent Network
<b>ANI</b>	Automatic Number Identification
<b>ARB</b>	Application for Arbitration
<b>ARMIS</b>	Automated Reporting Management Information Systems
<b>ATA</b>	Application for Tariff Amendment
<b>AOS</b>	Alternative Operator Services
<b>bps</b>	Bits per Second
<b>CABS</b>	Carrier Access Billing System
<b>CARE</b>	Customer Account Record Entry
<b>CCLC</b>	Carrier Common Line Charge
<b>CBG</b>	Census Block Group
<b>C.F.R.</b>	Rules promulgated by the FCC contained in Title 47 of the Code of Federal Regulations
<b>CMRS</b>	Commercial Mobile Radio Service
<b>COMMISSION</b>	The Public Utilities Commission Of Ohio
<b>COI</b>	Commission Inquiry
<b>CPNI</b>	Customer Proprietary Network Information
<b>CTS</b>	Competitive Telecommunication Service Providers as defined in Case No. 89-563-TP-COI
<b>DID</b>	Direct Inward Dialing
<b>EAS</b>	Extended Area Service
<b>FCC</b>	Federal Communications Commission
<b>FGD</b>	Feature Group D
<b>HCS</b>	High Cost Support
<b>ILEC</b>	Incumbent Local Exchange Carrier
<b>IN</b>	Intelligent Network
<b>IXC</b>	Interexchange Carrier

<b>LATA</b>	Local Access and Transport Area
<b>LEC</b>	Local Exchange Carrier refers to both ILECs and NECs
<b>LERG</b>	Local Exchange Routing Guide
<b>LOA</b>	Letter of Agency
<b>LRN</b>	Location Routing Number
<b>MOU</b>	Minutes of Use
<b>MPB</b>	Meet Point Billing
<b>MTS</b>	Message Toll Service
<b>MTSS</b>	Minimum Telephone Service Standards as contained in Chapter 4901:1-5, Ohio Administrative Code, and applicable Commission decisions as may be amended or redefined.
<b>NAG</b>	Application for Approval of a Negotiated Agreement
<b>NEC</b>	New Entrant Carrier
<b>OCC</b>	The Office of the Consumers' Counsel
<b>ORP/SCO</b>	Originating Responsibility Plan/Secondary Carrier Option
<b>PEC</b>	Primary Exchange Carrier as defined in Case No. 83-464-TP-COI
<b>PIC</b>	Presubscribed Interexchange Carrier
<b>RCF</b>	Remote Call Forwarding
<b>RFP</b>	Request For Proposal
<b>RIC</b>	Residual Interconnection Charge
<b>RLEC</b>	Rural Local Exchange Carrier
<b>ROE</b>	Return On Equity
<b>SEC</b>	Secondary Exchange Carrier as defined in Case No. 83-464-TP-COI
<b>SCA/TSA</b>	Service Connection Assistance/Telephone Service Assistance
<b>SLEC</b>	Small Local Exchange Carrier Serving Under 15,000 Access Lines
<b>TELRIC</b>	Total Element Long Run Incremental Cost
<b>TPM</b>	Telecommunications Performance Measurement Database
<b>USF</b>	Universal Service Fund
<b>USOA</b>	Uniform System of Accounts

## **II. CERTIFICATION ISSUES**

### **A. Jurisdiction**

#### **1. Scope**

Each facilities-based and nonfacilities-based entity engaged in the business of providing basic local exchange service to, from, through, or in Ohio shall be considered a LEC subject to Commission jurisdiction.

## **2. Waivers**

a. Nothing contained within these guidelines and procedures shall preclude the Commission from waiving any provision in this document for good cause shown or upon its own motion. Any LEC seeking a waiver(s), suspension(s) or modification(s) pursuant to Section II of these guidelines, shall specify the period of time for which it seeks such waiver(s), and a detailed justification.

### **b. Incumbent Small LECs (SLECs)**

In this subsection, the Commission recognizes that an incumbent SLEC is both an RLEC subject to the automatic exemption from Section 251(c) of the 1996 Act until such time as the SLEC receives a bona fide request for interconnection and the Commission reviews such request, and a rural carrier which may request a suspension or modification of all or portions of Sections 251(b) and (c) of the 1996 Act by filing an application with the Commission.

i. Prior to January 1, 1998, SLEC's are exempted and suspended from only those portions of these guidelines which relate to Section 251(c) of the 1996 Act. SLECs are expected to use this period of exemption and suspension to prepare and plan for competition to enter their service area. The staff of the Commission will be made available, on an informal basis, to assist the SLECs in this endeavor.

ii. After January 1, 1998, if a SLEC receives a bona fide request for interconnection services or network elements and it seeks to continue its exemption, it may request an extension of its exemption by filing an application with the Commission within 10 business days after receiving the bona fide request. If a SLEC does not seek to continue its exemption, it shall follow the bona fide request negotiation procedures set forth in Section III.D. of these guidelines.

The requesting carrier shall submit such bona fide request to the SLEC, as well as the chief of the telecommunications division of the Commission, via facsimile, overnight mail, or hand delivery. Within 5 business days of receiving such request, the SLEC shall send a letter acknowledging the receipt of the bona fide request and the SLEC's response to such request to the requesting carrier and to the chief of the

telecommunications division of the Commission. The Commission will review such bona fide request and the SLEC's response to it on an individual case basis within 120 calendar days of the Commission's receipt of the notice of such bona fide request from the requesting carrier.

- iii. If a SLEC seeks a suspension or modification of any portion or portions of Section 251(b) of the 1996 Act as a rural carrier, it must file an application with the Commission.
- iv. If a SLEC seeks a continuation of the suspension or modification set forth in Section II.A.b.i., above, to Section 251(c) of the 1996 Act as a rural carrier beyond January 1, 1998, it must file an application with the Commission by December 1, 1997. Such application must set forth with particularity the provision or provisions from which they seek suspension or modification. The Commission shall act within 180 calendar days after receiving such application. Pending such action, the Commission may suspend enforcement of the requirement or requirements to which the application applies with respect to the petitioning carrier. The Commission may also consider such request in the context of filings pursuant to Sections 4905.24, 4927.03, and/or 4927.04, Revised Code.
- v. In determining whether a suspension or modification pursuant to Sections II.A.2.b.iii. and II.A.2.b.iv., above, are warranted, the Commission will consider the following and issue its determination within 180 calendar days of the filing of the application.
  - a. Is it necessary in order:
    - i. To avoid a significant adverse economic impact on users of telecommunications services generally;
    - ii. To avoid imposing a requirement that is unduly economically burdensome beyond the economic burdens typically associated with efficient competitive entry; or
    - iii. To avoid imposing a requirement that is technically infeasible.

- b. Is it consistent with the public interest, convenience, and necessity.
  - c. How is the SLEC progressing in its preparations for the introduction of competition in its service area.
- vi. Unless the Commission finds it otherwise appropriate, an SLEC that obtains a waiver from any of these guidelines will remain under the 564 regulatory framework. The automatic time frames included within these local competition guidelines shall not apply to its filings unless and until it no longer has a waiver from any of these guidelines, except as provided in Section VI.M. of these guidelines.
- c. RLEC Exemptions for ILECs serving over 15,000 Access Lines**
- i. Until it receives a bona fide request for interconnection services or network elements, an RLEC is exempt only from those portions of these guidelines which are related to Section 251(c) of the 1996 Act.
  - ii. Notwithstanding Section II.A.2.c.i., above, each RLEC which seeks an exemption of a portion or portions of Section 251(c) of the 1996 Act must file a plan with the Commission, for the Commission's review and approval as to how it is preparing for the introduction of local competition in its service area. The plan must be filed within one year from the date the Commission adopts these guidelines or within 60 calendar days of the receipt of a bona fide request, whichever is earlier. This plan must include, at a minimum, the following:
    - a. How its plan will benefit the public interest;
    - b. What steps it intends to take to prepare for the competitive entry of other LECs in its serving area. This should be presented in the form of a plan which specifies milestones and a timeline;
    - c. A timetable and outline of information to be included in progress reports to be submitted to the Commission regarding preparations for competitive entry;

- d. Any other information in support of its request, including but not limited to: economic burden; technical feasibility; and impact on universal service; and
- e. All plans must be supported by adequate documentation of the items set forth in this Section.

Failure of an RLEC, which has received a bona fide request, to file its plan within 60 calendar days may result in denial of the request to continue the exemption.

- iii. Unless the Commission finds it otherwise appropriate, an RLEC that obtains a waiver from any of these guidelines will remain under the regulatory framework (i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144) it was subject to prior to the Commission's adoption of these guidelines. The automatic time frames included within these local competition guidelines shall not apply to its filings unless and until it no longer has a waiver from any of these guidelines, except as provided in Section VI.M. of these guidelines.

**d. RLECs Serving over 15,000 Access Lines Receiving Bona Fide Requests**

- i. If an RLEC receives a bona fide request for interconnection services or network elements and it seeks to continue its exemption, it may request an extension of its exemption by filing an application with the Commission within 10 business days after receiving the bona fide request. If an RLEC does not seek to continue its exemption, it shall follow the bona fide request procedures set forth in Section III.D. of these guidelines.
- ii. A carrier making a bona fide request of an RLEC for interconnection services or network elements shall submit such bona fide request to the RLEC, as well as the chief of the telecommunications division of the Commission, via facsimile, overnight mail, or hand delivery. Within 5

business days of receiving such request, the RLEC shall send a letter acknowledging the receipt of the bona fide request and the RLEC's response to such request to the requesting carrier and the chief of the telecommunications division of the Commission.

- iii. Upon the Commission's receipt of the notice of such bona fide request from the requesting carrier the Commission shall conduct its inquiry within 120 calendar days.
  - iv. If the Commission finds that the termination of the RLEC's exemption is not unduly economically burdensome beyond the economic burdens typically associated with efficient competitive entry, is technically feasible, and is consistent with universal service principles, the termination of the waiver will be ordered within 120 calendar days after the Commission receives notice of the request. The Commission will establish an implementation schedule in these instances.
  - v. In reaching its decision, the Commission will take into consideration the plan filed by the RLEC as required in Section II.A.2.c.ii., above, as well as the progress attained by the RLEC in reaching its milestones in a timely manner.
- e. Rural Carrier Suspensions and Modifications for ILECs Serving Over 15,000 Access Lines**
- i. Each rural carrier, serving over 15,000 access lines in Ohio which is not an RLEC, which seeks a suspension or modification under Section 251 of the 1996 Act must submit a plan to the Commission for the Commission's review and approval, as to how it qualifies to be considered a rural carrier, and how it is preparing for the introduction of local competition in its service area. For rural carriers that are not also RLECs, the plan must be filed by December 9, 1996. For rural carriers that are also RLECs serving over 15,000 access lines, the plan must be filed by June 12, 1997, or 60 calendar days after the receipt of a bona fide request, whichever is earlier. Failure to adhere to the time frames noted herein may result in the denial of the request for suspension or modification.

This plan must include, at a minimum, the following:

- a. How its plan will benefit the public interest;
- b. What steps it intends to take to prepare for the competitive entry of other LECs in its serving area. This should be presented in the form of a plan which specifies milestones and a timeline;
- c. A timetable and outline of information to be included in progress reports to be submitted to the Commission regarding preparations for competitive entry; and
- d. Any other information in support of its plan, including, but not limited to: economic burden; technical feasibility; and impact on universal service.

A carrier making a bona fide request of a rural carrier for interconnection services or network elements shall submit such bona fide request to the rural carrier, as well as the chief of the telecommunications division of the Commission, via facsimile, overnight mail, or hand delivery. Within 5 business days of receiving such request, the rural carrier shall send a letter acknowledging the receipt of the bona fide request and the rural carrier's response to such request to the requesting carrier and the chief of the telecommunications division of the Commission. If the rural carrier seeks a modification or suspension as a rural carrier, it must file an application with the Commission within 10 business days after receipt of the bona fide request. If the rural carrier does not seek a modification or suspension as a rural carrier, it shall follow the bona fide request negotiation procedures set forth in Section III.D. of these guidelines.

- ii. An application from a rural carrier for a suspension or modification under Section 251 of the 1996 Act must set forth with particularity the provision or provisions from which it seeks suspension or modification. The Commission shall act within 180 calendar days after receiving such application. Pending such action, the Commission may suspend enforcement of the requirement or requirements to which the application applies with respect to the petitioning carrier. The Commission may also consider such request in the context

of filings pursuant to Sections 4905.24, 4927.03, and/or 4927.04, Revised Code.

- iii. In considering an application from a rural carrier for any type of suspension or modification, the Commission will consider:
  - a. Is it necessary in order:
    - i. To avoid a significant adverse economic impact on users of telecommunications services generally;
    - ii. To avoid imposing a requirement that is unduly economically burdensome beyond the economic burdens typically associated with efficient competitive entry; or
    - iii. To avoid imposing a requirement that is technically infeasible.
  - b. Is it consistent with the public interest, convenience, and necessity.

In reaching its decision, the Commission will take into consideration the plan filed by the rural carrier as required in Section II.A.2.e.i., above, as well as the progress attained by the rural carrier in reaching its milestones in a timely manner. The Commission reserves the right to modify or reject any such request.

- iv. Unless the Commission finds it otherwise appropriate, a rural carrier that obtains a suspension or modification will remain under the regulatory framework (i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144) it was subject to prior to the Commission's adoption of these guidelines. The automatic time frames included within these local competition guidelines shall not apply to its filings unless and until it no longer has a suspension

or modification, except as provided in Section VI.M. of these guidelines.

**f. Waivers to Obtain Competitive Equilibrium**

A NEC may seek a waiver regarding tariffing requirements on the basis that an ILEC's service(s) has been detariffed. In making such a request, the NEC must demonstrate with specificity:

- i. How its service compares to the ILEC service;
- ii. How its serving area and local calling area compares to the ILEC's serving area and local calling area; and
- iii. Any other measures of the competitive nature of the service for which it seeks detariffing.

**3. Rules and Regulations**

- a. Except as indicated in these guidelines, requirements placed on the ILECs by the Ohio Administrative Code and the Ohio Revised Code will apply to the NECs unless modified through an appropriate regulatory proceeding. To the extent they do not conflict with the provisions set forth herein, Commission requirements and policies will apply to the operations of the NECs. Examples of such requirements and policies include, but are not limited to, MTSS, lifeline services (SCA/TSA), discounts for persons with communications disabilities, blocking of 976 services, disconnection of local service rules, 9-1-1 service, privacy and number disclosure requirements, and provisions involving customer-owned, coin-operated telephones. In addition, the requirements imposed on AOS providers in Case Nos. 88-560-TP-COI and 563 shall be applicable to NECs.

**b. Minimum Service Requirements**

The MTSS, as these currently exist and as may be modified by this Commission, apply to all LECs. LECs may seek waivers or modifications of a particular MTSS based upon their own unique circumstances. The Commission shall have the ultimate authority to rule on all waiver requests.

4. ILECs cannot establish NEC affiliates within their current serving areas in order to offer basic local exchange services. A separate ILEC-

affiliated NEC may be established to compete in other ILEC serving areas. These NEC affiliates are subject to the affiliate transaction guidelines embodied in Commission decisions regarding United Telephone Long Distance (Case No. 86-2173-TP-ACE), Ameritech Advanced Data Services, Inc. (Case No. 93-1081-TP-UNC), and in 563, as subsequently amended or supplemented, and any other requirements imposed by the Commission. NECs affiliated with ILECs must seek separate certification to provide basic local exchange services in other ILEC serving areas. The Commission will make a case-by-case determination as to whether that ILEC may have an affiliated NEC should the ILEC obtain a waiver, exemption, suspension, or modification of these guidelines pursuant to Section II.A.2.

## **B. Nature of Certification Process**

### **1. Minimum Requirements**

NECs which are affiliated with ILECs and are seeking authority to offer local exchange services, and other NECs, shall file with the Commission a completed Registration Form as set forth in Attachment A to these guidelines, along with an application for a certificate (ACE) addressing, at a minimum, the following items:

- a. Certificate of good standing or certificate to operate as an out-of-state entity and, if applicable, fictitious name authorization;
- b. List of officers and directors;
- c. Full address and telephone number;
- d. Proposed end user and carrier-to-carrier tariffs, if applicable, including a full description of proposed services and operations (proposed tariff may be illustrative), as well as all relevant terms and conditions, to be supplemented with actual tariffs following the establishment of interconnection terms and conditions but prior to the availability of such services and operations;
- e. A list of the counties which the NEC intends to serve within 24 months of obtaining authorization;
- f. Description of the serving area and local calling area, along with maps depicting the areas;

- g. Verification of compliance with any applicable affiliate transaction requirements;
- h. Documentation attesting to the applicant's financial viability including, at a minimum, a pro forma income statement and a balance sheet;
- i. Verification that the applicant will maintain accounting records pursuant to Part 64 of the FCC's rules, the USOA, and any other rules or regulations promulgated by the FCC or this Commission;
- j. Documentation attesting to the applicant's technical expertise relative to the proposed service offering(s);
- k. Documentation indicating the applicant's corporate structure and ownership;
- l. Information pertaining to any similar operations provided by the applicant in other states;
- m. Affidavits from two officers certifying the validity of the above information, as well as its intent to fully comply with these guidelines; and
- n. Any waivers sought by the applicant.

## **2. Additional Requirements**

Nothing precludes the staff or the Commission from requiring additional information, nor does the promulgation of these guidelines limit the Commission's ability to modify these filing requirements in the future.

## **3. Accounting Standards**

Accounting records are required to be maintained in accordance with the USOA for local telephone operations by all LECS. Unless the Commission requires a NEC to use Class A USOA accounts, the NEC may utilize Class B USOA accounts.

## **4. Certification Process**

NEC certification applications shall follow a streamlined regulatory process as follows:

- a. A NEC's certification application shall be docketed with the Commission and subject to an automatic 60-day approval procedure.
- b. Interested entities who can show good cause why such application should not be granted must file with the Commission a written statement detailing the reasons, as well as a motion to intervene, within 30 calendar days after the application is docketed. The applicant shall respond to any motion to intervene with 10 calendar days after the filing of the motion.
- c. Absent full or partial suspension, the application shall become effective 61 calendar days after filing.

#### **5. Conditions of Approval**

It is the applicant's responsibility to satisfy the Commission that the requirements of Section 4905.24, Revised Code, have been met. Section 4905.24, Revised Code, conditions the approval of multiple entities providing service upon a finding by the Commission that such operations are proper and necessary for the public convenience. Such determination shall include a review of the applicant's financial, managerial, and technical ability to provide the proposed service.

#### **6. Hearing**

In addition to these minimum guidelines, a hearing may be ordered.

### **C. Serving Area**

#### **1. Definition**

Serving area is defined as the geographic area in which a provider of local services provides originating service to any customer upon request.

#### **2. Self-Definition**

NECs will be permitted to self-define the area in which they will serve customers.

### **3. Expansion of NEC Serving Area**

A NEC seeking to expand its serving area beyond the counties in which it was previously authorized must file with the Commission a completed Registration Form, as set forth in Attachment A to these guidelines, along with an application to amend its certificate (AAC). Such an application must include a list of the new county(ies) it will be conducting operations in, a detailed description of the proposed new serving area and supporting documentation indicating that the applicant is technically, financially, and managerially able to conduct operations on an expanded basis.

NEC applications seeking to expand an authorized service area shall follow a streamlined regulatory process as follows:

- a. Such filing shall be docketed with the Commission and subject to an automatic 30-day approval procedure.
  - b. Interested entities who can show good cause why such application should not be granted must file with the Commission a written statement detailing the reasons, as well as a motion to intervene, within 15 calendar days after the application is docketed. The applicant shall respond to any motion to intervene within 7 calendar days after the filing of the motion.
  - c. Absent full or partial suspension, the application shall become effective 31 calendar days after filing.
4. Each NEC shall, within 24 months of obtaining authorization to serve a county, offer service within the entire serving area depicted on the maps on file with the Commission.

### **D. Local Calling Area**

#### **1. Definition**

Local calling area is the geographic area in which an end user may originate and terminate a call without incurring a toll charge.

#### **2. Local Calling Areas**

NECs may establish their own local calling areas. NECs may change their local calling areas, once established, by filing an updated map

with the Commission in the carrier's TRF docket which accurately depicts the revised local calling area.

#### **E. Maps**

LECs must maintain up-to-date maps in their TRF dockets which clearly delineate both their serving areas and local calling areas. If necessary, staff will work with the LECs, on an individual basis, to ensure the description of the local calling and serving areas are appropriate to meet the Commission's needs.

#### **F. Abandonment Proceedings**

No LEC may abandon all of its facilities or the services provided thereby absent Commission approval. Applications seeking permission to abandon facilities or services will be governed by Sections 4905.20 and 4905.21, Revised Code. A LEC seeking to abandon facilities or services must file with the Commission a completed Registration Form, as set forth in Attachment A to these guidelines, along with an application to abandon (ABN). Guidelines regarding the withdrawal of individual services are set forth in Section VI.E. of these guidelines.

### **III. INTERCONNECTION**

The term interconnection as used in these guidelines refers to the facilities and equipment physically linking two networks for the mutual exchange of traffic.

#### **A. Interconnection Obligation**

1. Each telecommunications carrier has the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers.
2. Each LEC shall make available interconnection to other LECs upon receipt of a bona fide request for interconnection, unless a waiver of this requirement is ordered by the Commission.
3. All telecommunications carriers shall have the duty to negotiate in good faith the terms and conditions of the interconnection agreements.

## **B. Interconnection Standards**

1. Each LEC shall provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the LEC's network, for the transmission and routing of telephone exchange traffic, exchange access traffic, or both. Also, a telecommunications carrier requesting interconnection solely for the purpose of originating or terminating its interexchange traffic, not for the provision of telephone exchange service and exchange access to others, on an ILEC's network is not entitled to receive interconnection pursuant to Section III of these guidelines or Section 251 of the 1996 Act.
2. Each LEC shall provide interconnection to requesting telecommunications carriers at any technically feasible point within the carrier's network, with quality at least equal to that provided by that LEC to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection pursuant to C.F.R. §51.305. Any carrier requesting interconnection to the existing network may do so via Feature Group D (FGD) type interconnection or via a mutually agreed upon interconnection arrangement. Interconnecting carriers may use one-way trunks or two-way trunks to interconnect for traffic transport and termination if it is technically feasible. Technically feasible methods of obtaining interconnection or access to unbundled network elements include, but are not limited to: a) physical collocation and virtual collocation at the premises of the LEC; and b) meet point interconnection arrangements pursuant to C.F.R. §51.321 and 51.323. If a meet point arrangement is requested from the LEC for the purpose of exchanging traffic with the LEC, each carrier is required to bear a reasonable portion of the forward-looking economic costs of the arrangement, pursuant to Section V.B.4. of these guidelines. However, if the meet point arrangement is requested from the LEC to gain access to unbundled network elements, the requesting LEC shall bear all of the forward-looking economic costs of the meet point arrangement.
3. Technically feasible points of interconnection within the LEC's network shall include at a minimum:
  - a. The line-side of a local switch;
  - b. The trunk-side of a local switch;
  - c. The trunk interconnection points for a tandem switch;
  - d. Central office cross-connect points;

- e. Out of band signaling transfer points necessary to exchange traffic at these points and access call-related databases; and
  - f. The points of access to unbundled network elements as described in Section VIII of these guidelines and C.F.R. §51.319.
4. If collocation is the requested method of interconnection, the LEC shall provide physical collocation of equipment necessary for interconnection or access to unbundled network elements at its premises. The LEC shall provide virtual collocation if, upon demonstration by that LEC, the Commission determines that physical collocation is not practical for technical reasons, or because of space limitations. Such demonstration shall include, but not be limited to, the provision of detailed floor plans or diagrams of such premises. The Commission determination shall be performed on a case-by-case basis. Similarly, virtual collocation shall be provided by LECs if requested by the interconnecting carrier regardless of floor space availability. Collocation, physical and virtual, shall be provided pursuant to rates, terms, and conditions that are just, reasonable, and nondiscriminatory pursuant to C.F.R. §51.323.
  5. Interconnection rates, terms, and conditions shall be established through negotiation between LECs upon receipt of a bona fide request for interconnection or through arbitration. Such arrangements shall be reviewed and approved by the Commission pursuant to Section III.D. of these guidelines and Case No. 96-463-TP-UNC. In addition, interconnection rates, terms, and conditions may be established through tariffs approved by the Commission. The Commission, at its discretion, may require the ILEC to file tariffs establishing interconnection rates, terms, and conditions.
  6. ILEC interconnection rates established under Section III.D.3. or Section III.E. of these guidelines, and Commission approved tariffs shall be developed pursuant to Section V.B. of these guidelines. A NEC may mirror the interconnection rates of the ILEC with which it is interconnecting, or establish its own interconnection rates pursuant to Section V.B. of these guidelines.

### **C. Bona Fide Request For Interconnection**

A bona fide request for interconnection shall be in writing and shall detail the specifics of the request. A bona fide request for interconnection

submitted by any telecommunications carrier, pursuant to Section 251 of the 1996 Act, shall include, at a minimum, the following, as applicable:

1. The technical description of the requested meet point(s) or, in the alternative, the requested point(s) of collocation (e.g., the end office, tandem, etc.);
2. For each collocation point: a forecast of DS-1 and DS-3 cross connects required during the term of the agreement; the requested interface format (electrical vs. optical); the type of collocation (physical or virtual) requested; and, if physical collocation is requested, the amount of partitioned space required, as well as DC power and environmental conditioning requirements;
3. For each meet point, a detailed technical description of the requested interface equipment must be provided;
4. The requested reciprocal compensation arrangement for transport and termination of local traffic;
5. A technical description of any required unbundled network elements;
6. Any requested access to the poles, ducts, conduits, and rights-of-way owned or controlled by the providing carrier;
7. Any requested white pages directory listings for the customer of the requesting carrier's telephone exchange service;
8. Any requested access to 9-1-1, E-9-1-1, directory assistance, operator call completion service, and any required dialing parity capability;
9. Any requested telephone numbers for the assignment to the requesting LEC's local exchange service customers;
10. The requested method(s) of interim number portability capability, until long-term number portability is available;
11. An itemized list of the required telecommunications services to be offered for resale by the providing carrier, and required operational support systems associated with the resale of these telecommunications services;

12. If transit traffic functionality is required, the requested method(s) of providing that functionality at each requested point of interconnection pursuant to Section IV of these guidelines;
13. The requested completion date; and
14. A list including names, phone numbers, and areas of responsibility of the requesting carrier's contact persons for the negotiation process.

An application fee may be charged by the providing carrier to recover no more than the reasonable cash outlays expended in the course of fulfilling the bona fide request. The amount of the application fee shall be subject to the Commission's review and approval, and shall be assessed only after the Commission has approved an interconnection arrangement or the requesting carrier has decided to no longer pursue the arrangement. Disputes concerning the amount of the fee will be resolved by the Commission through the arbitration process.

**D. Process for Negotiation and Approval of Interconnection Agreements  
(See also the Commission's Guidelines in Case No. 96-463-TP-UNC)**

**1. Negotiations Procedures**

- a. Any bona fide request shall be submitted via facsimile, overnight mail, or hand-delivery to the appropriate personnel or division within the LEC's organization in charge of negotiating interconnection arrangements between carriers. Within 5 business days of receiving such request, the providing carrier shall send a letter acknowledging the receipt of the bona fide request and setting the time for the first negotiation meeting within 10 business days from the date the providing carrier received the request. In that letter, the providing carrier shall provide a list of names, phone numbers, and areas of responsibility of contact persons for the negotiation process, and a list of any additional information necessary to process such a request. Within 10 business days of receiving all necessary information, the providing carrier shall inform the requesting carrier, in writing, of any requested interconnection or network element that is not technically feasible to provide, with a detailed explanation of such finding.
- b. Both the providing and requesting carriers shall notify the Commission of any bona fide request pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

- c. As soon as feasible, but in no event later than 115 calendar days from the receipt of an initial bona fide request, the providing carrier shall provide, in writing, the requesting carrier with a comprehensive quote including, at a minimum: the description of each interconnection and network element provided; rates to be charged for each item; its estimated cash outlays for processing the bona fide request pursuant to Section III.C. of these guidelines; and the installation schedule for each component provided.
- d. As soon as feasible, no later than 20 calendar days from the receipt of the quote from the providing carrier for an initial bona fide request, the requesting carrier shall respond in writing by accepting or rejecting the quote.
- e. For subsequent substantially similar bona fide requests for interconnection, the providing carrier shall provide, in writing, the requesting carrier with a comprehensive quote as set forth in Section III.D.1.c., above, within 10 business days of receipt. The requesting carrier shall respond, in writing, by accepting or rejecting the quote within 5 business days.

## **2. Agreements Arrived at Through Negotiations**

- a. Upon receiving a bona fide request for interconnection pursuant to Section III.C. of these guidelines, a LEC shall negotiate in good faith and may enter into a binding agreement with the requesting carrier.
- b. At any point in time during the negotiation, any party to the negotiation may ask the Commission to participate in the negotiation and to mediate any differences arising during the course of the negotiation, pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.
- c. If an agreement is reached, it shall include a detailed list of the itemized charges for interconnection and each service or network element included in the agreement, including all separate agreements involving such services or network elements. The agreement shall also include a detailed implementation schedule of the items included in the agreement.
- d. The agreement, including any interconnection agreement negotiated before the date of enactment of the 1996 Act (e.g. EAS

agreements) shall be filed with the Commission. Any interconnection agreement negotiated between Class A carriers before the date of enactment of the 1996 Act, shall be jointly filed with the Commission no later than June 30, 1997. The application of the negotiated agreement (NAG) shall be filed along with a completed Registration Form, as set forth in Attachment A to these guidelines.

- e. The Commission shall review an agreement arrived at through negotiation and shall approve the agreement if it finds that:
  - 1. The agreement (or any portion thereof) does not discriminate against a telecommunications carrier not a party to the agreement; and
  - 2. The implementation of the agreement (or any portion thereof) is consistent with the public interest, convenience, and necessity.
- f. The Commission shall approve or reject the agreement pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.
- g. **Nondiscrimination Provision**

A LEC shall make available any interconnection, service, or network element provided under an agreement approved pursuant to this section and to Section 252 of the 1996 Act to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement.

### **3. Arrangements Arrived at Through Arbitration**

- a. During the period from the 135th to the 160th day (inclusive) after the date in which an ILEC receives a bona fide request for interconnection pursuant to Section III.C. of these guidelines, any party to the negotiation may petition the Commission to arbitrate any open issues by filing an application (ARB) along with a completed Registration Form, as set forth in Attachment A to these guidelines.
- b. The Commission will review arrangements adopted through arbitration pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. **Nondiscrimination Provision**

A LEC shall make available any interconnection service, or network element provided under an arbitrated arrangement approved pursuant to this section to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the arbitrated arrangement.

**E. Statement of Generally Available Terms**

1. Ameritech Ohio may prepare and file with the Commission a statement of the terms and conditions that it generally offers to other carriers in the state of Ohio to comply with the guidelines established by this Commission in Sections III, IV, V, VIII, IX, X, XII, XIV, XV and XVI of these guidelines. Such filing shall be made in a (UNC) case.
2. The Commission will review such a statement within 60 days after the date of the filing and allow the statement to take effect on the 61st day unless Ameritech Ohio agrees to an extension of the review period or unless the Commission disapproves the statement. The Commission may continue to review the statement after the 60-day period.
3. The submission or approval of a statement under this section shall not relieve Ameritech Ohio of its duty to negotiate in good faith the terms and conditions of an agreement pursuant to this section.

**IV. COMPENSATION FOR THE TRANSPORT AND TERMINATION OF TELECOMMUNICATIONS TRAFFIC**

**A. Compensation Principles**

**1. Cellular Carriers**

Interconnection and compensation arrangements between LECs and cellular carriers are subject to FCC and Commission rules and guidelines as they exist and as they may be modified.

**2. Reciprocal Compensation**

All LECs shall have the duty to establish reciprocal compensation arrangements for the transport and termination of local

telecommunications traffic. Such duty shall also apply to traffic exchanged between ILECs that serve adjacent service areas.

### **3. Eligibility**

LECs shall be entitled to compensation for the use of network facilities they own or obtain by leasing from another underlying facilities-based LEC (i.e., through purchasing unbundled network elements) to provide transport and terminate traffic originated on the network facilities of other telecommunications carriers. Nonfacilities-based LECs are not eligible for the transport and termination of telecommunications traffic compensation.

### **B. Traffic Measurement**

All ILECs and NECs exchanging local and toll traffic shall measure MOUs for compensation purposes if technically and economically feasible. However, carriers that are unable to measure traffic terminating on their network may use a percentage of local use factor in order to bill the originating carrier. All carriers shall be required to maintain records of the originating call details, which will be subject to periodic audits for validation of traffic jurisdiction. The Commission, at its discretion in an arbitration proceeding, may require the interconnecting carriers to use separate dedicated trunks groups for local, intraLATA toll, and interLATA toll traffic transport.

### **C. Local and Toll Traffic Determination**

As NECs establish operations within individual ILEC service areas, the perimeter of ILEC local calling area, as revised to reflect EAS, shall constitute the demarcation for differentiating local and toll call types for the purpose of traffic termination compensation. Any end user call originating and terminating within the boundary of such local calling area, regardless of the LEC at the originating or terminating end, shall be treated as a local call. The Commission shall specify the date upon which a NEC is deemed operational in an ILEC local calling area in effectuating this guideline. Nothing in these guidelines would preclude the Commission from deciding on a case-by-case basis that an ILEC's local calling area should be expanded, thereby expanding the definition in this section for what should be treated as a local call for traffic termination compensation purposes.

**D. Compensation for Transport and Termination of Local Telecommunications Traffic**

1. Rates, terms, and conditions for the transport and termination of local traffic shall be established through interconnection agreements arrived at either through negotiation, or through arbitration. In addition, rates, terms, and conditions for the transport and termination of local traffic may be established through tariffs approved by the Commission. The Commission, at its discretion, may order the filing of tariffs establishing the rates, terms, and conditions for the transport and termination of local traffic. An ILEC's rates for transport and termination of local traffic shall be established, at the Commission's discretion, on the basis of:
  - a. The forward-looking economic costs of such offerings, using a cost study pursuant to Section V.B.4. of these guidelines;
  - b. Interim rates in an arbitration proceeding, as provided in Section V.B.3. of these guidelines; or
  - c. A bill and keep arrangement, as provided in Section IV.D.3. of these guidelines.
2. Symmetrical reciprocal compensation
  - a. Rates for transport and termination of local traffic shall be symmetrical unless the non-ILEC carrier (or the smaller of two ILECs) proves to the Commission, on the basis of a forward-looking economic cost study pursuant to Section V.B.4. of these guidelines, that its forward-looking costs for a network efficiently configured and operated by such carrier, exceed the costs incurred by the ILEC (or the larger ILEC), and that justifies a higher rate.
  - b. If both parties to the compensation arrangement are ILECs, or neither party is an ILEC, symmetrical rates for transport and termination shall be based on the larger carrier's forward-looking costs.
3. Bill and Keep

An interconnection agreement arrived at either through voluntary negotiations or arbitration may employ bill and keep as a method of compensation for the transport and termination of local traffic. Nothing in these guidelines precludes the Commission from presuming that the amount of local telecommunication traffic from

one network to the other is roughly balanced with the amount of local telecommunications traffic flowing in the opposite direction and is expected to remain so, unless a party rebuts such a presumption. Thus, the Commission may impose bill and keep arrangements for one year, unless further extended by the Commission, in an arbitration proceeding with the presumption that the amount of local telecommunications traffic exchanged between parties is roughly balanced, and expected to remain so, unless a party demonstrates to the Commission's satisfaction that traffic will be out of balance or a showing has been made by the non-ILEC party (or the smaller of the two carriers) to the Commission pursuant to Section IV.D.2.a. of these guidelines. The one-year period for a bill and keep arrangement will commence upon completion of the first commercial call. The Commission, at its discretion, may adopt specific thresholds for determining when traffic is roughly balanced, and include provisions for compensation obligations if traffic becomes significantly out of balance based on a showing that the traffic flows are inconsistent with the thresholds adopted by the Commission.

4. Rate Structure
  - a. Rates for transport and termination of local traffic shall be structured consistent with the manner that carriers incur those costs pursuant to Section V.B.2. of these guidelines.
  - b. LECs shall offer flat-rate compensation to other carriers purchasing dedicated facilities for the transport of local traffic.
  - c. The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the portion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network. Such proportion may be measured during peak periods.
  - d. LECs shall offer flat-rated compensation rates for transport and termination of local traffic to other LECs requesting such compensation method.
5. Where a switch of a non-ILEC serves a geographic area comparable to the area served by the ILEC's tandem switch, the appropriate rate for the non-ILEC is the ILEC's tandem interconnection rate.

### **E. Transit Traffic Compensation**

Transit traffic is the traffic which originates with one carrier's end user, terminates at a second carrier's end user and is transmitted using an intermediate third carrier's network.

1. The intermediate LEC carrying traffic originating and terminating on other carriers' networks shall be compensated for the use of its network facilities to complete the call.
2. The intermediate carrier may provide transit traffic functionality either by:
  - a. Carrying the call over its public switched network, in which case the intermediate carrier shall be compensated at its tariffed exchange access rates, under the same terms and conditions applicable to other ILECs for the provision of a similar functionality (i.e., excluding CCLC, RIC, information surcharge, and local switching charge); or
  - b. Providing direct connection, if technically feasible, between the originating and terminating carriers if they are both collocated in the intermediate carrier's premises provided that the collocated equipment is also used for interconnection with the intermediate carrier or for access to such intermediate carrier's unbundled network elements. The requesting carrier shall provide a detailed proposal of how the actual connection is to be established, the required equipment to be provided by the intermediate carrier for that purpose, and the requested compensation method. The intermediate carrier shall be compensated for all services, functionalities, and facilities it provides pursuant to Sections III, IV, and V of these guidelines.

This section shall not be construed to preclude LECs from negotiating other transit traffic interconnection and compensation arrangements.

### **F. Interexchange Carrier's Access Revenue Distribution**

1. This guideline shall apply to a LEC only if RCF is used by that LEC as an interim method of providing telephone number portability and shall not apply once the long-term number portability solution is implemented.
2. The LEC providing RCF functionality collects the IXC terminating exchange access revenue in the process of forwarding the IXC's call

to an end user of a second carrier. Such LEC shall distribute the collected relevant revenue to compensate the second carrier for revenue lost due to the use of RCF as follows:

- a. The approximation of "terminating IXC access MOUs over ported numbers" to which the revenue distribution would apply, shall be determined by applying the ratio of terminating IXC access MOUs / total (local and toll terminating MOUs), to the actual measured total terminating number portability MOUs. The LEC may use ARMIS report data, if available, or other data sources that both carriers mutually agree to.
- b. The rate adjustment amount, over which the "terminating IXC access MOUs over ported numbers" would apply, shall be calculated as follows:

Rate adjustment =	Total IXC exchange access rate charged by the collecting carrier pursuant to its tariffs
minus	Meet point billing for the collecting carrier
minus	Local reciprocal compensation rate of the second carrier.

#### **G. Transport and Termination of Toll Traffic**

1. Current prevailing ILEC's intrastate exchange access tariffs, including all rates, terms, and conditions as they may be modified, shall be used by ILECs for compensation for transport and termination of toll traffic originated by other telecommunications carriers and terminated on that ILEC's network.
2. NECs shall also tariff the rates, terms, and conditions for compensation for the transport and termination of toll traffic. A NEC may mirror rates, on a rate element basis, of the ILEC providing service in the NEC's service area, for the transport and termination of toll traffic, unless the NEC chooses to establish its own rates for the transport and termination of toll traffic.
3. Telecommunications carriers purchasing unbundled network elements to provide interexchange services or exchange access services are not required to pay intrastate exchange access charges. However, an ILEC may assess upon telecommunications carriers

that purchase unbundled local switching elements for intrastate toll minutes of use traversing such unbundled local switching elements, the intrastate CCLC, a charge equal to 75% of the intrastate RIC, and any explicit intrastate universal service mechanism based on access charges, only until the earliest of the following, and not thereafter:

- a. June 30, 1997;
- b. The effective date of a Commission decision that an ILEC may not assess such charges; or
- c. For Ameritech Ohio, the date on which Ameritech Ohio is authorized to offer in-region interLATA service in Ohio pursuant to Section 271 of the 1996 Act.

#### **H. Billing Arrangements**

##### **1. Originating Responsibility Plan/Secondary Carrier Option (ORP/SCO)**

- a. ILECs shall continue to compensate each other for the transport and termination of each other's traffic pursuant to ORP/SCO, as modified in these guidelines, unless otherwise ordered by the Commission.
- b. NECs are not permitted to participate in ORP/SCO arrangements as SECs.
- c. When a PEC carries a call which is originated over another PEC's network and terminates on a SEC network behind that intermediate PEC, the originating PEC shall compensate the intermediate PEC carrying the call for the use of the portion of the intermediate PEC's network used to complete the call at the intermediate PEC's terminating exchange access rates (excluding CCLC, RIC, information surcharge, and local switching charge), plus the portion of the terminating SEC's network used to complete the call at the terminating SEC's exchange access rates, consistent with Section IV.E.1. of these guidelines.
- d. The existing compensation agreements between ILECs under the ORP/SCO plan shall be amended to refer to the tariffed PEC's and SEC's exchange access rates in effect in their intrastate access tariffs rather than the exchange access rates effective the date the PECs entered into the agreements.

- e. The existing ORP/SCO arrangements not in compliance with these guidelines shall be revised to incorporate the above revisions and submitted to the Commission for approval.

**2. Meet Point Billing**

- a. MPB arrangements shall be used in billing for compensation for jointly provisioned switched access service to an IXC by more than one LEC, similar to MPB arrangements currently used by the ILECs.
- b. MPB arrangements may be used by LECs for compensation of other types of traffic exchanged between them.
- c. Under MPB compensation arrangements, the meet point can be any technically feasible point of interconnection pursuant to Section III of these guidelines.

**V. PRICING STANDARDS**

**A. Resale Pricing**

- 1. ILEC's retail telecommunications services available for resale to any telecommunications carrier shall be priced on a wholesale basis. Wholesale prices shall be determined on the basis of the retail rates charged to subscribers for the telecommunications service under consideration, excluding the portions thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the ILEC.
- 2. The Commission, at its discretion, may establish the wholesale rates utilizing either;
  - a. Interim wholesale rates that are based on the best information available to the Commission, about the ILEC avoided costs, as defined in Section V.A.4. of these guidelines. In this case, the Commission shall establish a single discount percentage rate that shall be used to establish interim wholesale rates for each telecommunications service. Such interim rates may be subject to a true-up pursuant to Section V.A.3. of these guidelines; or
  - b. Rates that are equal to the ILEC's existing retail rates for the telecommunications service, less avoided retail costs, determined pursuant to Section V.A.4. of these guidelines

through the Commission's review and approval of the ILEC's avoided cost study.

3. The interim wholesale rates shall cease to be in effect once the Commission determines wholesale rates based on an avoided costs study, pursuant to Section V.A.4. of these guidelines, submitted by the ILEC and approved by the Commission. If the interim wholesale rates are different from the rates established by the Commission pursuant to Section V.A.4. of these guidelines, the ILEC shall make adjustments to past wholesale rates which allow the resellers of that ILEC's telecommunications services to be charged the level of the wholesale rates they would have been charged had the interim wholesale rates equaled the rates later established by the Commission pursuant to Section V.A.4. of these guidelines.
4. Avoided retail costs shall be those costs that reasonably can be avoided when an ILEC provides a telecommunications service for resale at wholesale rates to a requesting telecommunications carrier.
  - a. For the ILECs that are designated as Class A companies pursuant to C.F.R. §32.11, except as provided in Section V.A.4.d. of these guidelines, the avoided retail costs shall:
    1. Include, as direct costs, the costs recorded in USOA Accounts 6611 (product management), 6612 (sales), 6613 (product advertising), 6621 (call completion services), 6622 (number services), and 6623 (customer services);
    2. Include, as indirect costs, a portion of the costs recorded in USOA Accounts 6121-6124 (general support expenses), 6711, 6712, 6721-6728 (corporate operations expenses), and 5301 (telecommunications uncollectibles) in proportion to the avoided direct expenses; and
    3. Not include plant-specific expenses and plant non-specific expenses, other than general support expenses (6110-6116 and 6210-6565).
  - b. Costs included in Accounts 6611-6613 and 6621-6623 described in Section V.A.4.a.1. of these guidelines, may be included in wholesale rates only to the extent that the ILEC proves to the Commission that specific costs in these accounts will be incurred and are not avoidable with respect to the services sold at wholesale, or that specific costs in these accounts are not included in the retail prices of resold services.

- c. Costs included in Accounts 6110-6116 and 6210-6565 described in Section V.A.4.a.3. of these guidelines, may be treated as avoided retail costs, and excluded from the retail rates, only to the extent that a party proves to the Commission that specific costs in these accounts can reasonably be avoided when an ILEC provides a telecommunications service for resale to a requesting carrier.
    - d. For the ILECs that are designated as Class B companies under C.F.R. §32.11, and that record information in summary accounts instead of specific USOA account, the entire relevant summary accounts may be used in lieu of specific USOA accounts listed in Section V.A.4.a., b., and c. of these guidelines.
  5. An ILEC may set wholesale rates that are non-uniform upon demonstration to the Commission that those rates are set on the basis of an avoided cost study, determined pursuant to Section V.A.4. of these guidelines, that includes a demonstration, to the Commission's satisfaction, of the percentage of avoided costs that is attributable to each service or group of services.
  6. An ILEC may set a different wholesale discount for volume discount retail offerings upon demonstration, to the Commission's satisfaction, that its avoided costs differ when selling in large volume, and provided that such discounts are not otherwise anticompetitive.
  7. Promotional prices offered by an ILEC for a period greater than 90 days to the same class of customers within a 12-month period must be offered for resale at wholesale rates. The 12-month period begins on the first day the promotional price is offered.
  8. When an ILEC provides telephone exchange service to a requesting carrier at wholesale rates for resale, the ILEC shall continue to assess the intrastate access charges provided in its intrastate tariffs upon IXCs that use the ILEC's facilities to provide intrastate telecommunications services to the IXC's subscribers.

## **B. Pricing of Elements**

### **1. General Principles**

- a. These standards apply to pricing of interconnection, unbundled network elements, methods of obtaining interconnection and access to unbundled network elements (including physical and

virtual collocation), and reciprocal compensation for the transport and termination of local traffic. All of these provisions shall be referred to as "elements" for the purpose of this Section V.B.

- b. An ILEC's rates for each element it offers shall comply with the rate structure standards as described in Section V.B.2. of these guidelines.
- c. The Commission, at its discretion, shall set the ILEC's rates for each element it offers either;
  - 1. Utilizing interim rates that are based on the best information available to the Commission about the ILEC's forward-looking economic costs. Such interim rates shall be subject to a true-up pursuant to Section V.B.1.d. of these guidelines; or
  - 2. Pursuant to the forward-looking economic cost-based pricing methodology described in Section V.B.4. of these guidelines.
- d. The interim rate(s) for an element(s) shall cease to be in effect once the Commission determines rates based on forward-looking economic costs, pursuant to Section V.B.4. of these guidelines, submitted by the ILEC and approved by the Commission. If the interim rate for an element is different from the rate established by the Commission pursuant to Section V.B.4. of these guidelines, the ILECs shall make adjustments to the past rate charged for that element which allow each carrier to be charged at a rate level it would have been charged had the interim element rate equaled the rate later established by the commission pursuant to Section V.B.4. of these guidelines.
- e. Subsidies deemed necessary for the provision of the state universal service shall be identified and recovered separately through the state universal service mechanism.
- f. Any ILEC offering of a volume discount, term discount, or geographically deaveraged price of an element, shall be made available on a nondiscriminatory basis to all ILECs who meet the discount or the deaveraging criteria.

- g. For each element provided by an ILEC to requesting telecommunications carriers, the ILEC shall prove, to the Commission's satisfaction, that the price of the element does not exceed the forward-looking economic cost per unit of providing that element.
- h. The rate that an ILEC assesses for elements shall not vary on the basis of the class of customer served by the requesting carrier, or on the type of services that the requesting carrier purchasing such elements uses them to provide.

## **2. Rate Structure**

The following rate structure standards shall apply to rates set by the Commission in arbitration proceedings pursuant to Section III.D.3. of these guidelines, in the Commission review of Ameritech Ohio's statement of generally available terms pursuant to Section III.E. of these guidelines, or in the Commission review of tariffs filed by an ILEC to offer any of the elements described in Section V.B.1.a. above. ILECs are not precluded from negotiating alternative rates or rate structures.

### **a. General Rate Structure Standards**

The following rate structure standards shall apply regardless of whether the price of an element is set pursuant to a forward-looking cost study or the interim rate approach.

- 1. Element rates shall be structured consistent with the manner in which the costs of providing that element are incurred, except as required by Section D.4.d. of these guidelines.
- 2. The costs of dedicated facilities shall be recovered through flat-rated charges.
- 3. The costs of shared facilities shall be recovered in a manner that efficiently apportions among users. Costs of shared facilities may be recovered either through usage sensitive charges or capacity-based flat-rated charges.
- 4. Recurring costs shall be recovered through recurring charges, unless an ILEC can prove to the Commission's satisfaction that such recurring costs are de minimus when the costs of administering the recurring charges would be

excessive in the relation to the amount of the recurring costs.

5. An ILEC may recover the forward-looking nonrecurring economic costs through recurring charges allocated among requesting telecommunications carriers and spread over a reasonable period of time. The reasonableness of such costs recovery mechanism shall be evaluated by the Commission on a case-by-case basis.
6. An ILEC may establish different rates for elements in at least three defined geographic areas within the state to reflect geographic cost differences. To establish geographically-deaveraged rates, the ILEC may use its existing density-related zone plans established pursuant to C.F.R. §69.123, other cost-related zone plans established pursuant to state law, or another cost-related zone plan that creates a minimum of three cost-related zones approved by the Commission.
7. An ILEC may not impose class-of-service deaveraging on rates for elements provided to other telecommunications providers.

**b. Rate Structure for Specific Rate Elements**

The following element-specific rate structure standards shall apply in addition to the standards set forth in Section V.B.2.a. of these guidelines.

1. Local loop costs shall be recovered through flat-rated charges.
2. Local switching costs shall be recovered through a combination of a flat-rated charge for line ports, and one or more flat-rated or per-minute usage charges for the switching matrix (including the functionalities used to provide vertical features) and for trunk ports.
3. Dedicated transmission link costs shall be recovered through flat-rated charges, except for the purpose of establishing a reciprocal compensation rate for providing transmission facilities dedicated to the transmission of traffic between two carriers' networks, which is provided pursuant to Section IV.D.54.C. of these guidelines.

4. The costs for shared transmission facilities between tandem switches and end offices may be recovered through usage sensitive charges, capacity-based, flat-rated charges, or in another manner consistent with the manner the ILEC incurs those costs.
5. Tandem switching costs may be recovered through usage-sensitive charges, capacity-based, flat-rated charges, or in another manner consistent with the manner the ILEC incurs those costs.
6. Signaling and call-related database service costs shall be recovered through usage-sensitive charges, based on either the number of queries or the number of messages, with the exception of the dedicated circuits known as signaling links, the cost of which shall be recovered through flat-rated charges.
7. Collocation costs shall be recovered consistent with the rate structure policies established in the FCC "expanded interconnection" proceeding, CC Docket No. 91-141.

**3. Interim rates for forward-looking economic costs**

- a. Interim rates may be used by the Commission in setting prices in arbitrating disputed issues pursuant to Section III.D.3. of these guidelines, in the Commission's review of Ameritech Ohio's statement of generally available terms pursuant to Section III.E. of these guidelines, or in the Commission review of tariffs filed by an ILEC to offer any element.
- b. Interim rates or bill and keep shall be set by the Commission when it determines that it does not have sufficient time to review cost information provided by an ILEC or when it appears that there may be significant concerns with the cost studies from our cursory review.

**4. Forward-Looking Economic Costs**

- a. The forward-looking economic cost-based price of an element, as described in this section of the guidelines, shall be set at a level that allows the providing carrier to recover the sum of the total element long-run incremental cost (TELRIC) of the element, and a reasonable allocation of the forward-looking joint and common costs.

b. Total Element Long-Run Incremental Cost

1. Study Period:

The TELRIC of an element is the forward-looking cost over the long-run of the total quantity of the facilities and functions that are directly attributable to, or reasonably identifiable as incremental to, such element, calculated while holding all other products' volumes constant. The Commission will consider a cost study period of five years to be reasonable. An ILEC shall have the burden of proof, to the Commission's satisfaction, that such study period would not be reasonable for a specific element.

2. Technology:

The TELRIC of an element shall be measured based on the use of the forward-looking telecommunications technology currently available whose costs can be reasonably estimated by the ILEC, given the existing location of the ILEC's wire centers.

3. Cost of Capital:

The TELRIC of an element shall be calculated using the forward-looking cost of capital (debt and equity), which includes a reasonable level of profit. The currently Commission-authorized rate of return shall be a starting point for the TELRIC calculation. The ILEC shall have the burden of proof, to the Commission's satisfaction, that the business risks that the ILEC faces in providing such elements would justify the proposed risk-adjusted cost of capital. The risk-adjusted cost of capital for an ILEC shall be uniform for all elements and in all locations.

4. Depreciation:

The TELRIC of an element shall be calculated using the economic depreciation rates that reflect the forward-looking lives of the equipment in a specific location and the economic value of an asset.

5. Federal, State, and Local Income Taxes:

- a. Federal, state, and local income tax expenses shall be determined based on the price floor.
- b. Since federal, state, and local taxes are applicable, recognition is given to the "tax-on-tax" situation that results from the deductibility of state and local tax when federal taxes are paid.

6. Inflation:

TELRIC studies shall reflect costs that are expected to be incurred during the study period. Such costs shall be projected to their anticipated level over the study period by using an appropriate index of future cost, such as supplier estimates of price changes, indices developed from labor contracts, or other relevant indices.

7. Investment Development:

a. Material Investment

- i. The development of the material component of investment shall begin with the current vendor price(s) for the hardware and software resources required to provide the service, projected over the study period as described above.
- ii. Other components of material investment shall include inventory, supply expenses, and sales taxes.
- iii. The sales tax component of investment shall be calculated by applying a sales tax factor if applicable. The factor shall reflect taxes imposed by state and local taxing bodies on material purchases. It shall be applied to the material and inventory components.
- iv. The supply component shall include the expense incurred by the LEC for storage, inventory, and delivery of material.

b. Labor Investment

There are two major components of labor investment, vendor-related and LEC-related.

- i. Vendor labor-related investment shall include billed installation and engineering.
- ii. The LEC's labor-related investment may be developed based on account averages or from estimates of product-specific plant engineering and installation hours.
- iii. Total labor costs shall be computed by multiplying the account average or product specific work times the appropriate labor rate.
- iv. Hourly labor rates include the operational wages, benefits, paid absence, and, if applicable, tools and miscellaneous expenses.

8. Fill Factors:

The investment developed above shall be adjusted to reflect reasonably accurate "fill factors". Fill factors are the proportion of a facility that will be filled with network usage. The ILEC shall have the burden to justify the reasonableness of the fill factors used in its TELRIC studies.

9. Maintenance:

Maintenance costs are incurred in order to keep equipment resources in usable condition.

- a. Included in this classification are: direct supervision; engineering associated with maintenance work; labor and material costs incurred in the up keep of plant; rearrangements and changes of plant; training of maintenance forces; testing of equipment and facilities; tool expenses; and miscellaneous expenses.
- b. The specific maintenance cost estimates associated with the element in question or investment-related annual maintenance factors may be applied to arrive at an annual maintenance cost.

- c. The factor shall be specific to the investment and expense accounts associated with the element and be developed from the most current data reasonably available to the ILEC.

10. Investment Allocation:

TELRIC studies shall reflect relevant allocations of regulated investments, as determined by the FCC or the Commission.

- 11. The forward-looking economic cost per unit of an element shall equal the forward-looking economic cost of the element, divided by a reasonable projection of the sum of the total number of units of that element that the ILEC is likely to provide to requesting telecommunications carriers and the total number of units of that element that the ILEC itself is likely to use in offering its own services, during the study period.

12. In the determination of the total number of units:

- a. If the ILEC offers an element on a flat-rate basis, the number of units shall be defined by the ILEC as the discrete number of elements that the ILEC uses or provides (e.g. number of loops or number of ports); and
- b. If the ILEC offers an element on a usage-sensitive basis, the number of units shall be defined by the ILEC as the unit of measurement of the usage (e.g. number of MOUs or database queries).

- 13. The TELRIC of an element shall reflect any cost-based volume discount, term discount, and/or geographic-deaveraging the ILEC plans to offer.

c. Forward-Looking Joint and Common Costs

- 1. Forward-looking common costs are economic costs efficiently incurred by the ILEC in providing a group of elements or services (which may include all elements or services provided by the ILEC) that cannot be attributed directly to an individual element or service.

2. Forward-looking joint costs are those forward-looking costs which are common to only a subset of the elements or services provided by the ILEC. Forward-looking common costs are those costs which are incurred by the ILEC's operations as a whole, that are common to all elements and services.
3. Reasonable allocation of forward-looking joint and common costs:
  - i. Forward-looking joint costs which are common to only a subset of the elements or services provided by the ILEC, shall be allocated to that subset, and should then be allocated among the individual elements or services in that subset, based upon measures of utilization, including such measures as: number of circuits, MOUs, and bandwidth. The Commission shall evaluate the reasonableness of the joint cost allocation methodology on a case-by-case basis.
  - ii. Forward-looking common costs shall be allocated among elements and services in a reasonable manner. The ILEC may allocate forward-looking common costs using a fixed allocator of 10% markup over the sum of the TELRIC and the allocated forward-looking joint cost allocated to such element. In the event that an ILEC believes that such allocator (10%) does not allow it to reasonably recover its forward-looking common costs, the ILEC shall have the burden of proof.

### **C. Number Portability Pricing**

#### **1. Interim Number Portability Pricing**

Prices for interim number portability utilizing RCF or DID shall be set at a level that takes account of the relative inferior quality of the service provided, its interim nature, and its necessity for the development of a competitive market for local exchange services. LECs shall not charge any nonrecurring charges to recover service orders, installation, and similar upfront expenses associated with the provision of interim number portability utilizing any of the above methods.

## **2. Long-term Number Portability Pricing**

The costs associated with the establishment of long-term number portability shall be borne by all telecommunications carriers on a competitively neutral basis.

### **D. Imputation Standards**

#### **1. Application**

An ILEC shall charge all customers which purchase its network elements the same price for the network element that it imputes to itself in determining the cost of all services it offers that require that network element as an input. For ILECS, the imputation requirements shall apply if:

- a. The service under review is offered by at least one other provider (the ILEC's competitor) in the relevant market or geographic area;
- b. The comparable service offered by such a competitor relies upon an essential input (or a non-competitive service) provided by that ILEC in the relevant market; and
- c. The ILEC offering the service in the relevant market or geographic area uses the same essential input (or non-competitive service) used by the competitor to provide its comparable service.

In the application of the imputation test to competitive telecommunications services, an "essential input" shall mean a facility, functionality, or service offered by an ILEC for which an equivalent alternative or functional substitute, including self-provisioning by the competitor in a considerable segment of the relevant market or geographic area, is not available from any other provider within the relevant market or geographic area in which that facility, functionality, or service is offered at comparable rates, terms, and conditions.

Notwithstanding the other requirements of this section, price changes for basic local exchange service may only be considered in the context of applications pursuant to Section 4909.18 or 4927.04, Revised Code. Rates for basic local exchange service in effect as of the date of the adoption of these guidelines are not ipso facto required to pass an imputation test.

## **2. Methodology**

The price of the telecommunications service subject to the imputation requirement shall be equal to or greater than the sum of the following:

- a. The tariffed rate(s) for the essential input(s) (or non-competitive service(s)) as it is actually used by the carrier in its service offering, as such rate(s) would be charged by that carrier to any purchaser of that essential input within that market; and
- b. The long run service incremental cost(s) of all other components of the carrier's service offering.

The imputation test may incorporate cost savings that result from the bundled provision of services. The ILEC has the burden of proof of such cost savings.

## **3. Imputation Test Required**

ILECs shall submit an imputation test, for the Commission staff's review and the Commission's approval, if:

- a. Tariffs are filed by the ILEC to introduce a new service subject to imputation requirements;
- b. Tariffs are filed by the carrier to reduce rates for a service subject to imputation requirements; or
- c. Tariffs are filed by the carrier to increase rates for an essential input which is utilized in providing a competitive service subject to the imputation requirements as described above.

## **4. Imputation Filing**

The ILEC shall file, as an attachment to its tariff filing, information regarding the ILEC's method of complying with the imputation standards, including but not limited to, its definition of "relevant market or geographic area", and the definition of "the essential input or non-competitive service" relevant to the service in its application.

**E. Required Workpapers**

1. When a LEC submits a cost study to the Commission staff, it must simultaneously submit a complete set of supporting workpapers and source documents.
2. The workpapers must clearly and logically present all data used in developing the estimate and provide a narrative explanation of all formulas or algorithms applied to these data. These workpapers must allow others to replicate the methodology and calculate equivalent or alternative results using equivalent or alternative assumptions.
3. The workpapers must clearly set forth all significant assumptions and identify all source documents used in preparing the cost estimate, including the technology being used in providing the element.
4. The workpapers must be organized so that a person unfamiliar with the study will be able to work from the initial investment, expense, and demand data to the final cost estimate. Every number used in developing the study must be clearly identified in the workpapers as to what it represents. Further, the source should be clearly identifiable and readily available, if not included with the workpapers.
5. Any input expressed as a "dollars per minute," "dollars per foot," "dollars per loop," "dollars per port," and the like must be traceable back to the original source documents containing the number of dollars, minutes, feet, loops, ports, and the like from which these figures were calculated.
6. To the extent practicable, all data and workpapers must be provided in machine readable form on diskettes using standard spreadsheet or database software formats such as Lotus 1-2-3 or Excel. Each diskette must contain a "read me" or similar file that defines the contents of each file on the diskette and contains an explanation of the definitions, formulas, equations, and data provided on the diskette. The diskette shall contain all information that the ILEC uses to modify or run "what if" scenarios.

## **VI. TARIFFING REQUIREMENTS**

### **A. Structure**

All LECs shall maintain end user tariffs. In addition, LECs providing service through their own facilities shall maintain a carrier-to-carrier tariff in those service areas. The carrier-to-carrier tariff shall include services, features, and functionalities for purchase by any certified carrier, subject to conditions set forth in Section VI.D.1., below. LECs providing both end user and carrier-to-carrier tariffs may maintain them as separate sections of a unified tariff.

### **B. NEC Affiliation with CTS Providers**

CTS providers affiliated with NECs can retain 563 regulation of their competitive services provided pursuant to 563, if the NEC and CTS providers are separate affiliates and comply with the affiliate transaction guidelines in 563, Case No. 86-2173-TP-ACE, and Case No. 93-1081-TP-UNC, as subsequently amended or supplemented in orders of the Commission. Otherwise, all NEC services will be regulated according to the procedures set forth in these guidelines.

### **C. End User Tariffing Guidelines**

#### **1. New Services**

- a. The NEC shall provide an application for a new service offering in its end user tariff, along with a cover letter which states that this is a 30-day prefiling pursuant to these guidelines, to the Commission's telecommunications division and OCC 30 calendar days prior to filing the application with the Commission. Such prefiled application must include the following:
  1. A copy of the superseded tariff sheet(s) and price list(s), if applicable, marked as Exhibit A.
  2. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.
  3. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.

4. A copy of the customer education and information material for new residential services must also be provided to the Commission's Consumer Services Department and the OCC concurrent with the pre-filing.
- b. Subsequent to the 30-day pre-filing time frame, the NEC may file an application to provide the new service offering in its end user tariff with the Commission via an application for tariff amendment (ATA), along with a completed Registration Form, as set forth in Attachment A to these guidelines. The application shall become effective on the day of filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.
- c. However, should the staff notify the NEC prior to the expiration of the 30-day pre-filing time frame that the application requires further investigation, the applicant may file the application in an ATA which will be subject to a 30-day automatic approval time frame, and shall become effective 31 calendar days after filing, unless suspended.
- d. ILECs' tariff filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines.

## **2. End User Rates**

- a. NECs may charge end users rates based upon the marketplace and are not required to document their end user rates by means of developing and submitting TELRIC studies. However, NECs are expected to charge rates which are above their incremental cost of service. The Commission reserves the right to request cost or other information should it wish to audit a NEC's rates. Moreover, Section 4905.33, Revised Code, applies to NEC pricing practices.
- b. ILECs' end user rates will be subject to each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval

and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144.

### **3. Pricing Flexibility for End User Services**

- a. NECs shall establish their minimum and maximum price ranges for services, and there shall be no limits to the number of rate changes permitted within the approved range, during a given period of time. NECs making changes in rates within the minimum and maximum price ranges shall file an amended price list (See Section VI.F., below) and it shall be effective on the day of filing.
- b. The Commission reserves the right to apply specific pricing limitations which may have been or may be imposed on LEC services, to the NECs' offerings. For example, the Commission pricing guidelines set forth in 563 which place limits on the surcharges and MTS rates offered in conjunction with AOS shall be applied to NECs offering such services.
- c. ILECs' pricing flexibility is subject to each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144.

### **D. Carrier-to-Carrier Tariffing Guidelines**

#### **1. Availability of Carrier Services**

A carrier must be certified to buy out of the carrier-to-carrier tariff of a LEC.

**2. Initial Carrier-to-Carrier Services Tariffs for ILECs**

- a. An ILEC shall file a tariff for resale services with the Commission that consists of retail services priced at wholesale rates available for purchase by other certified carriers. (See Sections V and IX of these guidelines). Such initial applications will not be subject to an automatic approval process.
- b. A LEC may prepare and file with the Commission a tariff, for carrier services other than resale, containing the terms and conditions for carrier-to-carrier services, features, and functionalities that such company generally offers in the state. In addition to the tariff, any negotiated terms and conditions between carriers, approved by the Commission, must be available on a nondiscriminatory basis to any certified carrier. (See Sections III and IV of these guidelines). Initial carrier services tariffs, other than resale, filed by ILECs will not be subject to an automatic approval process.
- c. A LEC providing both resale and carrier-to-carrier services may place both into one tariff so long as they are contained in clearly delineated separate sections of that tariff.

**3. Initial Carrier-to-Carrier Services Tariffs for NECs**

- a. A facilities-based NEC shall file a tariff for resale services with the Commission that does not contain unreasonable, discriminatory, or anti-competitive conditions or limitations on the resale of its telecommunications services. The initial facilities-based NEC carrier-to-carrier resale tariff filed with a certification application is subject to a 60-day automatic approval process pursuant to Section II of these guidelines. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.
- b. Initial carrier services tariffs other than resale filed by NEC with a certification application will be subject to a 60-day automatic approval process pursuant to Section II of these guidelines. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

- 4. New Services for Carrier-to-Carrier Tariffs after the Initial Tariff Filing**
- a. Each NEC shall provide the application for a new service offering in its carrier-to-carrier tariff, along with a cover letter which states that this is a 30-day prefiling pursuant to these guidelines, to the Commission's telecommunications division 30 calendar days prior to filing the application with the Commission. Such prefiled application must include the following:
    1. A copy of the superseded tariff sheet(s), if applicable, and price list(s), marked as Exhibit A.
    2. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.
    3. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.
  - b. Subsequent to the 30-day prefiling time frames, the NEC may file with the Commission an application to provide the new service offering in its carrier-to-carrier tariff via an ATA, along with a completed Registration Form, as set forth in Attachment A to these guidelines. The application shall become effective on the day of filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.
  - c. However, should the staff notify the NEC prior to the expiration of the 30-day prefiling time frame that the application requires further investigation, the applicant may file the application in an ATA which will be subject to a 30-day automatic approval time frame, and shall become effective 31 calendar days after filing, unless suspended.
  - d. ILECs' carrier-to-carrier tariff filings after the initial tariff filing, shall be processed based on each ILEC's currently applicable framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its

competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines.

**E. Change in Terms and Conditions, Change in Carrier's Name, and Withdrawal of Service for End User and Carrier-to-Carrier Tariffs (for Abandonment of Service, See Section II.F. of these guidelines)**

1. In order to change the terms and conditions of an existing service, change the carrier's name, or to withdraw an existing service, the NEC must docket an ATA with the Commission along with a completed Registration Form, as set forth in Attachment A to these guidelines. Such filing must include:
  - a. A copy of the superseded tariff sheet(s) and price list(s), marked as Exhibit A.
  - b. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.
  - c. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.
2. Upon the filing by the NEC of an application to change the terms and conditions of an existing service, change the carrier's name, or to withdraw an existing service, the application will be subject to a 30-day automatic approval procedure and shall become effective 31 calendar days after filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension. Interested persons may file comments on the calendar application within 14 calendar days from the filing of the application.
3. In applications for withdrawal of a service, change in carrier's name, price increases within an approved range of rates, and change in terms and conditions of an existing service, the NEC must provide documentation that prior actual customer notice was given to the affected customers via bill insert, bill message, or direct mail. For price increases within an approved range of rates, however, prior customer notice may be given through a one-time publication in the non-legal section of the newspaper published in and of general circulation in the counties in which affected customers are located or other notice deemed suitable by the Commission. If the NEC chooses to provide prior notice via newspaper publication for price

increases within an approved range, such notice must be followed up immediately by actual notice through bill insert, bill message, or direct mail in the next practicable billing cycle.

4. In applications for withdrawal of service, a NEC must indicate one of the following:
  - a. The NEC currently has no customers for the service proposed to be withdrawn; or
  - b. If the NEC has existing customers of the service proposed to be withdrawn and has not grandfathered the provisioning of the service to current customers, the NEC must demonstrate good cause for withdrawal of the service from these customers.
5. Applications by ILECs to change terms and conditions, change the carrier's name, or withdraw a service shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines.

**F. Price List Changes for End User and Carrier Resale Tariffs**

1. NECs' price list changes within an approved range of rates will be filed in the NECs' TRF dockets and shall be effective on the day of filing.
2. Where end user customers and/or resellers are affected by any price list increase by a NEC within an approved range of rates for dialtone/local access MTS, directory assistance, and operator services, a notice, i.e., bill insert, bill message, direct mail, or one-time publication in the non-legal section of the newspaper published in and of general circulation in each county affected by the price increase, will be provided to the Commission's Consumer Services Department and such customers prior to the effective date of such increase.

3. If a NEC increases a rate outside of an approved range, a filing must be made pursuant to Section 4909.18, 4909.19, 4927.03, and/or 4927.04, Ohio Revised Code.
4. ILECs' price list filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines.

**G. Promotions - End User and Carrier Resale Tariffs**

1. Terms and conditions of all promotions must be identified in price lists and filed in the NEC's TRF docket. Promotional offerings shall be effective on the day of filing. The only limitation upon NEC promotions shall be that the waiver of any charges other than a nonrecurring charge shall be limited to 90 calendar days on a per customer basis.
2. ILECs' promotional offerings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines

**H. Deaveraging**

Requests for geographical market-based deaveraging by customer type or class for both NECs and ILECs will be considered by the Commission only where the carrier can demonstrate that the request is consistent with the public interest, is a necessary and appropriate response to differences in prevailing market prices, and will not serve to discourage entry or lessen competitive forces. In establishing the procedures for its consideration of such request, the Commission shall act pursuant to the appropriate statutory provisions.

## **I. Contractual Arrangements**

### **1. End User Contracts**

LECs may enter into contractual arrangements with end users for services, but such services and products must also be included in the carriers' end user tariffs. The contractual arrangements may include additional terms and conditions so long as the terms and conditions are not inconsistent with the tariffed provisions. ILECs will submit cost studies for all contracts in accordance with their currently applicable regulations. i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. The Commission may grant an exception to the tariffing of all products or services in the case of unique arrangements or special assemblages. All contractual arrangements pertaining to end user products and/or services must be filed and approved by the Commission and the terms shall be made available to all similarly situated customers on a nondiscriminatory basis.

### **2. Process for Approval of End User Contracts**

- a. NEC end user contracts will be effective upon the day of signing.
- b. NECs must docket their end user contract applications with the Commission within 10 calendar days of signing. Such applications shall be filed in an application to establish, revise, or cancel a contract case (AEC), along with a completed Registration Form, as set forth in Attachment A to these guidelines. The application will be subject to a 30-day automatic approval procedure and, absent full or partial suspension of the filing, it shall become effective 31 calendar days after filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.
- c. ILECs' end user contract application filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be

regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.M. of these guidelines.

- d. If a LEC requests proprietary treatment of information pertinent to its contract application, the application will proceed in accordance with the appropriate automatic approval procedure. However, the case will remain open until the Commission determines the appropriateness of the motion for a protective order.

### **3. Process for Approval of Carrier-to-Carrier Initial Contracts and Amendments**

- a. LEC initial carrier-to-carrier contract filings will be processed according to the procedures set forth in Section III.D of these guidelines, and in Case No. 96-463-TP-UNC.
- b. For those LECs which have approved contracts for carrier-to-carrier services and such contracts contain provisions which allow them to amend such contracts during their duration, the LECs may utilize the following procedures to amend their existing contracts:
  - 1 The LECs' amended contracts will be effective upon day of signing.
  2. The LECs' must docket amendments to the initial negotiated agreements with the Commission within 10 calendar days of signing. Such applications shall be filed in an AEC case, along with a completed Registration Form, as set forth in Attachment A to these guidelines. The application shall be subject to a 30-day automatic approval procedure and shall become effective 31 calendar days after filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

**J. Fresh Look Provision**

1. ILEC customers with long-term contracts for local exchange services which were not, at the time they were entered into, subject to effective competition as determined by the Commission shall be given an opportunity to take a "fresh look" to determine if they wish to avail themselves of a competitive alternative. This provision applies to portions of contracts involving basic local exchange service or to entire contracts where local termination liability is not severable from non-local services. This opportunity will be limited to customers with such ILEC arrangements for remaining terms in excess of two years from the date the Commission verifies as the date on which the first interconnection arrangement is operational in the ILEC's service territory. Upon inquiry by such customer, the ILEC must inform the customer of his/her opportunities pursuant to this section.
2. The opportunity to end such a long-term arrangement will exist on a market-by-market basis for a period of 180 calendar days from the date the first interconnection arrangement is operational in that market served by that ILEC. Each NEC shall notify the Commission as to the date when the first interconnection arrangement is operational in a given market by filing notice of such operation in its certification case and serving a copy of such notice on the chief of the telecommunications division within 5 calendar days of such operation. The Commission shall verify the date which the 180-day period begins for purposes of this section and shall establish an appropriate procedure for customer notification prior to such date. The Commission shall resolve any disputes regarding opportunities to end long-term arrangements pursuant to this section.
3. If a party chooses to terminate such a long-term arrangement within this period, the termination charge will be limited. Notwithstanding any termination charges provided in the applicable ILEC tariffs, the ILEC may not charge more than the difference between: (a) the amount the customer has already paid; and (b) any additional charges that the customer would have paid for service if the customer had taken a shorter term offering that would have been available for the term actually used. This termination procedure will allow customers with long-term arrangements to select among competitive providers while ensuring that the ILEC obtains the compensation appropriate for the term commensurate with the length of time the service was actually taken by the customer.

**K. Termination Liability**

Except as detailed in these guidelines and relevant Commission orders concerning interconnection arrangements, the Commission approval of contracts pursuant to these procedures does not constitute a determination of the reasonableness of termination liability provisions.

**L. Proprietary Information**

All contracts and applications are to be filed on the public record. If a LEC finds it necessary to request protective treatment for any portion of a contract or application, it must request such protection in accordance with Chapter 4901-1, Ohio Administrative Code.

**M. Tariff Filing Parity**

1. As stated above, all ILEC new service, price list, promotion, change in terms and conditions, withdrawal of service, and contract applications will be processed according to the time frames set forth in the ILECs' currently applicable regulations i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, once a NEC is operational in an ILEC's serving area the ILEC may file an application requesting to take advantage of the expedited approval processes and pricing flexibility features afforded the NECs territory-wide for tariff filing procedures flexibility as set forth above in Sections VI.C.1., D.4., E.1-4, F.1., G.1., and H. In determining whether such a request should be granted, the Commission will consider the extent of competition in the ILEC's territory and the impact on the development of a competitive market in an ILEC's territory.
  - a. In order to receive such flexible treatment of tariff filing procedures, the ILEC must docket a UNC case with the Commission. Such filing must include, at a minimum;
    - i. A revised cover page for the ILEC's existing tariff which indicates that the ILEC will be granted filing flexibility pursuant to the approval of the UNC case; and

- ii. An exhibit requesting flexible treatment pursuant to these guidelines, with a detailed explanation of how the ILEC meets the criteria in Section VI.M.1., of these guidelines for flexible tariff filing procedures.
  - iii. Copies of the application should be served on all certified NECs and in the ILEC's serving area. The Commission will set a period of time for the filing of written comments concerning the application and reserves the right to schedule a hearing if necessary. The proceeding on the request will be expedited. The Commission may modify or reject the request based on the geographic scope or degree of competition in the ILEC's serving area.
- b. Upon Commission approval of such application, the ILEC will file all future applications described in Section VI.M., above, pursuant to the procedures set forth in Sections VI.C.1., D.4., E.1-4, F.1., G.1., and H. of these guidelines.

## **VII. FILING PROCEDURES AND REGISTRATION FORM**

### **A. Registration Form (Attachment A)**

1. A Registration Form provided by the Commission staff (initial form shown in Attachment A to these guidelines) must be utilized in all applications filed pursuant to these guidelines with the Commission. (NOTE: This form may change from time to time without further Commission entry. Staff will maintain a current, updated copy to provide to applicants, and will file a copy of any updated form within this docket.) The Registration Form is to be utilized by an applicant for purposes including, but not limited to:
  - a. Receiving initial certification to provide local exchange service in Ohio;
  - b. Changing any element of a NEC's operations;
  - c. Changing any element within a NEC's tariff, including textual revisions and price adjustments; and
  - d. Filing interconnection arrangements arrived at through either negotiation or arbitration for Commission approval.

2. The Registration Form must accompany all applications filed by NECs on or after the effective date of these guidelines.
3. ILECs may not utilize this form when filing applications. Rather, ILECs should utilize the appropriate form based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC must use this form for any application filed after the effective date of these guidelines, if it has been granted tariff filing parity pursuant to Section VI.M. of these guidelines, or if the ILEC is filing an ARB or NAG case pursuant to the guidelines established in Case No. 96-463-TP-UNC.
4. For any application which is filed pursuant to an automatic time frame established in these guidelines, the automatic time frame will not begin to run until the appropriate completed Registration Form is filed.

**B. Tariffs**

1. LECs shall keep tariffs on file with the Commission. A tariff shall be filed with the Commission on white paper which is 8.5" x 11" paper printed on one side only. The only exception is price lists, which, at the LEC's option, may be printed on colored paper. Handwritten copies are not acceptable except for denoting the appropriate case number. All tariffs must include both the appropriate issued (the date the tariff was filed with the Commission) and effective (the date the service(s) will be offered) dates. These tariffs shall include, at a minimum, the following elements:
  - a. A title page;
  - b. A description of all services offered, including all terms and conditions associated with the provision of each service;
  - c. A description of the actual serving and local calling areas (any change to a LEC's serving area and local calling area shall be processed in accordance with Sections II.C.3. and II.D.2. of these guidelines, respectively);

- d. A complete price list, including every rate and charge relative to the provision of each service, as well as discounted rates for the benefit of persons with communication disabilities; and
  - e. Each final tariff sheet must exhibit the Commission authority by designating the case number in which the tariff was approved, the automatic date of effectiveness or Commission order date, the effective date of the tariff sheet, the name of the LEC, and the name of an officer of the LEC. This information should be included in a header, a footer, or a combination thereof. The LEC's TRF case number is not to appear on final tariff sheets.
2. A LEC will no longer be required to include in its tariff on file at the Commission specific language either previously or prospectively deemed mandatory by the Commission. Under these guidelines, such service requirement language shall be contained in the Service Requirements Form which will be available from the staff and is shown in its initial form as Attachment B to these guidelines. The Service Requirements Form must be attached to the Registration Form. Accordingly, any provider seeking to offer local service in Ohio will be required to commit to the applicable service requirements contained in the Service Requirements Form. (NOTE: The Service Requirements Form, as set forth in Attachment B to these guidelines, may change from time to time pursuant to Commission directive. Staff will maintain a current, updated copy to provide to applicants, and will file a copy of any updated revisions to the Service Requirements Form within this docket.)

### **C. TRF Docket**

1. TRF dockets are designated for the filing of final tariffs and are maintained by the Commission for each utility company, including those filed by LECs.
2. A TRF docket number will be assigned by the Docketing Division when a NEC seeks to obtain initial certification.
3. For applications in which new tariff pages are involved, such tariff page(s) must be filed in final form in the appropriate application purpose code, as well as in the TRF docket for that LEC. For applications subject to 0-day approval, such final tariff pages must be filed at the same time as the application. For nonautomatic applications and those applications subject to an automatic approval process (other than the 0-day automatic approval process), final tariff

pages must be filed within 10 calendar days after the approval date. The effective date on the tariffs shall be a date no sooner than the date the final tariffs are filed with the Commission.

**D. Time Frames**

1. Certain filings pursuant to these guidelines will be handled through an automatic process. For those filings specified in the guidelines as subject to an automatic time frame and with the exception of 0-day filings, an automatic time frame will begin on the day after a filing is made with the Commission's Docketing Division. Furthermore, under an automatic process, if the Commission does not take action before the expiration of the filing's applicable time frame, the filing shall become effective as early as the following day.
2. The time frames in these guidelines requires same day delivery or facsimile of all pleadings and papers upon all parties. Rule 4901-1-07, Ohio Administrative Code, does not apply to the service of pleadings and papers pursuant to these guidelines.

**E. Suspensions**

1. Nothing contained within these guidelines shall in any way preclude the Commission, Legal Director, Deputy Legal Director, or Attorney Examiner from imposing a suspension of any process herein.
2. A full suspension occurs when the Commission, Legal Director, Deputy Legal Director, or Attorney Examiner, upon its own motion, suspends the automatic timeclock and precludes an application from taking effect. A full suspension may also be imposed after the automatic time frame has run, if an ex post facto determination is made that a service previously automatically authorized may not be in the public interest. If the suspension involves a service previously automatically authorized, the LEC may be required to discontinue providing the service subsequent to the suspension.
3. Under partial suspension, which can be invoked by the Commission, Legal Director, Deputy Legal Director, or Attorney Examiner, the service in question is permitted to take effect under the proposed terms and conditions subject to continued review. The LEC is put on notice that such terms and conditions may be modified subsequent to its further review. A partial suspension may also be imposed after the automatic time frame has run if an ex post facto determination is made that a service previously automatically

authorized may not be in the public interest. If the suspension involves a service previously automatically authorized, the partial suspension may require the LEC to refrain from obtaining new customers subsequent to the suspension.

4. The Commission, Legal Director, Deputy Legal Director, or Attorney Examiner may fully or partially suspend an application for either a definite or indefinite period of time. If the suspension is for a definite period of time, such time frame shall be determined on a case-by-base basis and shall be set forth in the entry suspending the application. If the suspension is for an indefinite period of time, the Legal Director, Deputy Legal Director, or Attorney Examiner may remove the suspension imposed upon the application and reinstate a new automatic time frame for approval of the application. The appropriate new automatic time frame shall be determined on a case-by-case basis.

## VIII. UNBUNDLING

### A. Principle

Each ILEC and interconnecting facilities-based NEC shall unbundle its respective local network elements at any technically feasible points, upon bona fide request of a certified facilities-based LEC.

### B. Minimum Requirements

Unbundling of networks shall include, at a minimum, local loops, network interface devices, local and tandem switching, interoffice transmission facilities, signaling and call-related databases, operations support systems functions, and operator and directory assistance facilities. The Commission may prescribe additional elements at a later date C.F.R. §51.319.

### C. Reciprocal Unbundling

The requirement to fulfill all bona fide requests for the purchase of unbundled network elements by other certified facilities-based LECs applies equally to both ILECs and NECs.

### D. General Unbundling Requirements

1. Unbundled network elements rates, terms, and conditions shall be established through negotiation between LECs upon receipt of a bona

fide request for interconnection or through arbitration, pursuant to Section III.C. of these guidelines.

2. Unbundled network element rates, terms, and conditions may be established through arrangements or tariffs approved by the Commission. The Commission, at its discretion, may order the filing of tariffs establishing unbundled network elements rates, terms, and conditions. (See Section III, Interconnection, for filing requirements associated with bona fide requests.)
3. Once an unbundled network element has been made available to an interconnecting carrier on a contractual basis, the providing carrier shall make that unbundled network element available for all similar requests for purchase pursuant to Section III of these guidelines.
4. The offering of unbundled network elements cannot replace the offering of currently bundled package offerings.

**E. Rate Requirements**

Unbundled network elements shall be priced at cost-based rates pursuant to the pricing standards in Section V.B. of these guidelines.

**IX. RESALE**

**A. Principle**

1. Each LEC shall maintain an end user tariff and make all of its tariffed services available for resale.
2. Each LEC which provides local service through its own facilities or in combination with its own facilities, shall maintain a carrier-to-carrier tariff including its resale service offerings and, with the exception of services not available for resale pursuant to Section IX.C. of these guidelines, shall make such service offerings available for resale to any other LEC.

**B. Conditions for Local Service Resale**

1. All services that are tariffed in LEC end user tariffs shall be made available for purchase by any entity at a retail rate approved by the Commission.

2. ILECs shall offer for resale at wholesale rates (pursuant to Section V.A. of these guidelines) any telecommunications service that it provides at retail to subscribers who are not telecommunications carriers.
3. All services that are tariffed in a NEC's carrier-to-carrier tariff for the purpose of resale shall be made available for purchase by any LEC and shall not contain unreasonable, discriminatory, or anti-competitive conditions or limitations.
4. NEC services offered at a discount or in a promotion shall be made available for resale at rates approved by the Commission pursuant to the standards set forth in Section IX.B.3. of these guidelines.
5. ILEC services offered at a promotional discount or in another type of promotion for a period of 90 calendar days or less do not have to be made available for resale pursuant to Section V.A. of these guidelines. ILEC services offered to the same class of customers for the same service(s) at a promotional discount or in other types of promotions for a period of greater than 90 calendar days within a 12 month period shall be made available for resale at a wholesale rate approved by the Commission pursuant to the pricing standards set forth in Section V.A. of these guidelines.
6. Each LEC which maintains a carrier-to-carrier tariff shall be required to provide nondiscriminatory, automated operational support systems by no later than January 1, 1997. Such systems shall enable other LECs reselling its retail telecommunications services to order service, installation, repair, and number assignment; monitor network status; and bill for local service. Such support systems shall include, but not be limited to:
  - a. Pre-service ordering functionalities for processing customer service orders;
  - b. Provisioning requirements to ensure electronic transmission of data to the LEC providing telecommunications services for resale, as well as order and service completion confirmation;
  - c. Repair and maintenance requirements; and
  - d. Customer Account Record Entry (CARE) requirements.
7. To assure proper and high quality provisioning of local service resale, each LEC which maintains a carrier-to-carrier tariff shall

provide administrative functional requirements that include, but are not limited to:

- a. Provisioning reports comparing that LEC's service to LECs purchasing telecommunications services for resale with the service it provides to itself in its own operation; and
- b. Branding of services by the LEC providing such services for resale.

**C. Restrictions on Resale**

1. Each LEC shall make its services available for resale, but may, subject to Commission approval, place reasonable restrictions on the resale of residential services to business customers. While a LEC may file an application with the Commission requesting other reasonable resale restrictions, such an application must be narrowly focused.
2. Those LECs purchasing lifeline services for resale may only resell those services to qualifying lifeline customers.

**X. DIALING PARITY/1+ INTRALATA PRESUBSCRIPTION**

**A. Principle**

ILECs and NECs shall be required to provide dialing parity, on both an intra and interLATA basis, to all interconnecting toll carriers subject to the conditions set forth below. NECs shall not become secondary carriers under ORP/SCO.

**B. Time Frame**

1. ILECs that are not legally constrained from offering interLATA services shall have implemented 1+ dialing parity on an intraLATA basis for all their subscribers by August 8, 1997.
2. Ameritech Ohio shall have implemented 1+ dialing parity on an intraLATA basis for all its subscribers at such time that it receives approval of the federal competitive checklist for Bell Operating Companies pursuant to Part III, Section 271(c)(2)(B) of the 1996 Act, or by February 9, 1999, whichever occurs sooner.
3. NECs shall implement 1+ dialing parity on an intraLATA basis upon their initial offering of certified local exchange service.

## **C. Presubscribed Interexchange Carrier (PIC) Methodology**

### **1. Definitions**

#### **a. 1-PIC**

Subscribers would select either their LEC or their interLATA carrier to carry all intraLATA and interLATA toll traffic.

#### **b. Full 2-PIC**

Subscribers would select an IXC for interLATA calls and have the ability to select either their interLATA carrier, LEC, or an alternative intraLATA toll provider to carry their intraLATA toll traffic.

#### **c. Modified 2-PIC**

Subscribers would select an IXC for interLATA calls and select either the same IXC or their existing LEC to carry their intraLATA toll traffic.

#### **d. Smart or Multi-PIC**

Subscribers would be able to select multiple carriers for various subdivisions of their interLATA and intraLATA toll calls.

### **2. Implementation**

In the absence of readily available and economically feasible Smart or Multi-PIC technology, 1+ dialing parity on an intraLATA basis shall be implemented on a Full 2-PIC methodology.

## **D. Balloting**

Balloting shall not be used. LECs shall inform their current customers of the options to select presubscribed intraLATA toll carriers no later than 60 calendar days following implementation of intraLATA toll prescription.

Such notices must be submitted by the LEC to the Commission's Consumer Services Department for approval at least 30 calendar days prior to sending them to its customers. Toll carriers may provide such information to customers regarding the availability of 1+ dialing parity as they deem appropriate, except that nothing herein shall authorize any

otherwise unauthorized or unlawful use of the LEC's name, marks, logo, trademarks, or tradenames by the toll carriers.

**E. Presubscription Procedures**

**1. Current subscribers CHOOSING A CARRIER**

Initial requests of current subscribers for an intraLATA carrier change will be provided free of charge from the date of 1+ intraLATA dialing parity implementation until 90 days after the date of 1+ intraLATA toll dialing parity implementation or 90 days after customer notice was initially sent, whichever is later. A LEC service order charge of \$5.00 for the first line, and \$1.50 for each additional line, shall be applied to any subsequent request to change intraLATA interexchange service providers.

**2. Current subscribers who do not choose a carrier**

The Commission will determine in each LEC's case containing intraLATA toll dialing parity implementation procedures the appropriate procedure to be utilized by a carrier in situations where a current customer does not choose a carrier.

**3. New subscribers placing an order**

New subscribers will be asked to select an interLATA and intraLATA toll carrier at the time they place an order with the LEC. The LEC will process the customer's order for both intra and interLATA service. The selected carriers will confirm their respective customers' verbal selections by third-party verification or return written confirmation notices. All new subscribers' initial requests for either intra or interLATA interexchange service shall be provided free of charge.

**4. NEW subscribers who do not choose a carrier**

If a subscriber is unable to make a selection at the time he/she places an order establishing local exchange service, the LEC will read a random listing of all available intraLATA carriers to aid in the selection. If a selection is still not possible, the LEC will inform the subscriber that he/she will be given 90 calendar days in which to inform the LEC of an intraLATA toll carrier selection. During the 90-day period and until the subscriber informs his/her LEC of a choice for intraLATA toll carrier, the customer will not have a presubscribed intraLATA toll carrier, but rather will be required to

dial a carrier access code to route his/her intraLATA toll to the carrier of his/her choice. Subscribers who inform their LEC of their intraLATA toll carrier selection within the 90-day period will not be assessed a service order charge for their initial request. A LEC service order charge of \$5.00 for the first line, and \$1.50 for each additional line, shall apply to all subsequent requests to change intraLATA interexchange service providers.

**F. Recovery of Costs of Implementation of IntraLATA Dialing Parity**

The incremental costs directly associated with the introduction of 1+ intraLATA dialing parity shall be borne by providers of telephone exchange service and telephone toll service. Costs shall be recovered through a Commission-approved switched access per minute of use charge applied to all originating intraLATA switched access minutes generated on lines that are presubscribed for intraLATA toll service. Recovery of these costs shall not include recovery of costs incurred for PIC changes during the initial 90-day no-charge period.

**XI. NONDISCRIMINATION BETWEEN COMPETITORS**

**A. Service Requests**

LECs which have achieved interconnection shall report in writing to the chief of the compliance division of the Consumer Services Department and the chief of the telecommunications division of the Utilities Department, within five business days, any denial of subsequent bona fide carrier service request by the interconnecting LEC (e.g., expansion of facilities or maintenance). Denied requests, and requests for service not fulfilled within 30 calendar days, must be documented and justified (in its report to the Commission) by the carrier from whom such services are requested. Such denials will be reviewed pursuant to a complaint process or other Commission-ordered dispute resolution process.

Interconnecting LECs shall report to the chief of the compliance division of the Consumer Services Department and the chief of the telecommunications division of the Utilities Department, any subsequent request for service (e.g., expansion of facilities or maintenance) that remains unfulfilled, or partially unfulfilled, in excess of 30 calendar days.

**B. Telecommunications Performance Measurement Database (TPM)**

All LECs shall be required to file, with the Commission, annual TPM data submissions.

**C. Access to Customer Proprietary Network Information (CPNI)**

1. A telecommunications carrier that receives or obtains CPNI from another carrier for purposes of providing any telecommunications service shall use such information only for such purpose and shall not use such information for its own marketing efforts.
2. No LEC shall access or use the CPNI of an interconnecting LEC for the purpose of marketing its services to the interconnecting LEC's customers.
3. No LEC shall access the CPNI of a carrier reselling its services, without the permission of the reseller, for the purposes of marketing services to the reseller's customers.
4. No LEC shall solicit a competitive carrier's end user customer where the competitive interconnecting carrier is in the process of waiting for the LEC to provide facilities necessary to serve that same end user customer.
5. A LEC may only make CPNI available to another carrier after having obtained prior written authorization for the provision of such information to such carrier from the subscriber.

**D. Installation and Maintenance**

A LEC must provide the same installation, maintenance, and repair intervals to other LECs that it provides itself for its own service provisioning.

**XII. RIGHT-OF-WAY**

**A. Authorization**

1. LECs are subject to all constitutional and statutory rights and responsibilities placed upon public utilities for use of public right-of-way.
2. Private right-of-way for all public utilities, including LECs, is subject to negotiated agreements with the private property owner, exclusive of eminent domain considerations.
3. The Commission finds that there is a rebuttable presumption that any arrangements whereby telecommunications carriers are

provided exclusive use of private building riser space, conduit, and/or closet space is anti-competitive and unlawful. This being the case, the Commission reserves the right, should it be brought to our attention, to require any or all such future arrangements between public utilities and private landowners to be submitted to us for our review and approval, under Section 4905.31, Revised Code, prior to taking effect.

**B. Rates, Terms, and Conditions**

1. Rates, terms, and conditions for nondiscriminatory access to poles, ducts, conduits, and right-of-way shall be established through interconnection arrangements or tariffs pursuant to Section III of these guidelines.
2. Access to poles, ducts, conduits, and right-of-way shall be on a first-come, first-serve basis. A utility providing telecommunications or video services may not reserve excess capacity for its own future needs when allocating pole, duct, or conduit space to competitors. Electric utilities are subject to C.F.R. §51.
3. When a utility plans for modification of its facilities, a written notification of such modification must be provided to parties holding attachments on such facilities at least 60 calendar days prior to the commencement of the physical modification itself. If the modification involves an emergency situation, the notice must be given as soon as reasonably practicable.
4. The Commission has jurisdiction over the prices charged for pole attachments. Such prices for pole attachments shall be set at a rate that does not exceed the maximum amount permitted by the prevailing FCC formula.
5. The costs of modifying a facility shall be borne by all parties that obtain access to the facility as a result of the modification and by all parties that directly benefit from the modification. Each party described in the preceding sentence shall share proportionately in the cost of the modification. A party with a preexisting attachment to the modified facility shall be deemed to directly benefit from a modification if, after receiving notification of such modification, it adds to or modifies its attachment. Notwithstanding the foregoing, a party with a preexisting attachment to a pole, conduit, duct, or right-of-way shall not be required to bear any of the costs of rearranging or replacing its attachment if such rearrangement or replacement is necessitated solely as a result of an additional attachment or the

modification of an existing attachment sought by another party. If a party makes an attachment to the facility after the completion of the modification, such party shall share proportionately in the cost of the modification if such modification rendered possible the added attachment.

6. Prices for ducts, conduit space, and access to right-of-way shall be set at a level that allows the providing carrier to recover its TELRIC, as described in Section V.B.4. of these guidelines, of providing ducts, conduit space, and access to right-of-way and a reasonable allocation of the forward-looking joint and common costs incurred by the providing carrier and satisfy the requirements of Section 224 of the 1996 Act. The allocation of the forward-looking joint and common costs shall be according to the allocation method described in Section V.B.4. of these guidelines.

#### **C. Coordination**

LECs shall coordinate their right-of-way construction activity with the affected municipalities and landowners. Nothing in this section is intended to abridge the legal rights and obligations of municipalities and landowners.

#### **D. Disputes**

1. Public utilities shall comply with Section 4905.51, Revised Code.
2. Disputes concerning the compensation or conditions of use or joint use of equipment may be brought to the Commission for resolution pursuant to Section 4905.51, Revised Code.

### **XIII. UNIVERSAL SERVICE**

#### **A. Definitions**

1. Universal service establishes a minimum level of essential basic telecommunication services to be made available at just, reasonable, and affordable rates to all who desire such services. Universal service applies to all telecommunications carriers for the benefit of all residents in Ohio.

Universal service includes the following services:

- a. Residential single party, voice-grade access line;

- b. Touch-tone dialing;
- c. Access to telecommunications relay service;
- d. Access to operators and directory assistance;
- e. Access to emergency services (9-1-1/E-9-1-1) (where available);
- f. Availability of flat-rate service;
- g. Access to all available long distance carriers;
- h. A white pages listing, plus a directory;
- i. Blocking for Caller ID, Auto Callback, 900, 976, 976-like services, and toll restriction blocking; and,
- j. The capability of transferring data at a rate of 9600 bps by June 12, 1997 and 14,400 bps by December 31, 1998.

The list of services that comprise universal service will be periodically reviewed by the Commission and updated as telecommunications and information technologies and services advance and as societal needs dictate.

- 2. Universal Service Funding (USF) assistance has two separate and distinct components:
  - a. **High Cost Support (HCS)** is intended to ensure the provision of universal service to residential customers at just, reasonable, and affordable rates in geographic areas with high cost characteristics, (e.g., low population density, long loop lengths per household, or terrain features which cause plant installation to be expensive).
  - b. **Low Income Assistance** is intended to provide income-eligible residential customers who participate in designated federal or state low-income programs, with discounts for certain basic local services to assist participants in obtaining and maintaining access to the network.
- 3. **High Cost Support Eligible Area** is defined as a geographic area (i.e., approved by the Commission) within which the established HCS benchmark cost for the number of households in that area exceeds

the ILEC's total intrastate residential revenues within that same geographic area.

4. **Income Eligible Residential Customers** shall be determined by their participation in federal and state low-income programs (e.g., Home Energy Assistance Program, Ohio Energy Credits Program, Supplemental Security Income, Medicaid, Aid for Families with Dependent Children). The Commission will periodically review the status of the programs used to determine income eligibility.

**B. Universal Service Fund (USF) Contributions**

1. All telecommunications carriers (i.e., facilities-based LECs, nonfacilities-based LECs, and CTS providers) shall pay into the intrastate Universal Service Fund (USF) pool via a USF charge, including those entities providing telecommunications services who pay into the interstate USF, but are exempted from registering with the Commission.
2. The USF support level will be based on each carrier's total intrastate revenues, including revenues received from subsidiaries (e.g., yellow pages revenues).
3. The USF percentage assessed to each carrier will be based on a statewide aggregation of required subsidies for all USF eligible services in the state. This percentage will be calculated and revised at least annually, as determined by the Commission and the fund administrator.
4. In determining the percentage to be assessed to each carrier, the Commission may also consider the extent to which a carrier is providing service in a nondiscriminatory manner within its service territory. In making such a determination, the Commission will consider the self-defined serving area of the carrier, the carrier's percentage of business vs. residential customers, and the extent to which the carrier serves low income customers. LECs not serving an appropriate proportion of residential and business customers will be required to contribute more to the USF than those LECs which do so.
5. The fund administrator will calculate at least annually, not to exceed quarterly, each carrier's obligation to the fund and will invoice each carrier accordingly. Payments on behalf of carriers to the fund shall be made at least annually, but not to exceed quarterly, as deemed appropriate by the Commission and the fund administrator.

**C. High Cost Support Program**

1. ILECs will retain the carrier of last resort obligation until such time as the Commission determines the carrier of last resort via a bidding process or other mechanism. During that interim period, any certified, facilities-based, LEC serving residential customers within a HCS eligible area may withdraw from the fund an amount no greater than the maximum subsidy established according to the methodology in Section E.1. below.
2. No sooner than one year after the enactment of these guidelines, the Commission will evaluate whether to implement a bidding process or some other mechanism for the carrier of last resort obligation as a requirement for ongoing eligibility for high cost support funding.
3. Any carrier accepting HCS monies must offer the services supported by universal service support and must advertise the availability of such services.

**D. Low-Income Support Program**

1. Effective immediately, all certified LECs that have not been otherwise exempted by this Commission shall participate in the Telephone Service Assistance and Service Connection Assistance Programs. Notwithstanding legislation that would establish otherwise, all LECS shall continue to provide the benefits of the TSA and SCA programs pursuant to the existing state and federal funding methodologies.
2. As of January 1, 1998, and LEC offering the following package of low income assistance to income eligible residential customers as defined in Section XIII.A.4., above, will be eligible for any incentives established in XIII.D.3., below, in addition to dollar for dollar recovery from the universal service fund according to the methodology in Section XIII.E., below.
  - a. A waiver of deposits required to obtain new service;
  - b. A waiver of the service connection charge for establishing local service, if it is more that \$5.00;
  - c. A monthly discount off of the basic local access line charge at an amount equal to the subscriber line charge;
  - d. A monthly waiver of the federal subscriber line charge;

- e. A waiver of the charges for touch-tone service;
- f. Discounted rates for call control features, i.e., toll restriction and blocking for 900 and 976 calls; and
- g. A waiver of the charges for 9-1-1 and E-9-1-1.

The Commission may periodically re-evaluate and modify the package of services in this paragraph.

- 3. To encourage LECs to actively promote the package of low-income support programs described in Section XIII.A.4., such carriers will receive a partial offset against their contribution to the USF for each \$1.00 of subsidy received from the USF for provision of these low-income programs. The Commission will determine the appropriate amount of offset by June 12, 1998.
- 4. The Commission may consider prior commitments made by LECs in alternative regulation proceedings in determining the extent of eligibility for USF funding under Section XIII.D.2. and D.3. of these guidelines.

#### **E. Support Withdrawal Criteria**

##### **1. High Cost Support Withdrawal**

Until such time as the Commission establishes a carrier of last resort via a bidding process or other mechanism, any facilities-based LEC is eligible for HCS funding according to the following methodology:

- a. The calculation of the HCS subsidy will be done on the basis of existing ILEC wire center boundaries and will be designated a HCS study area.

Any ILEC or facilities-based NEC may petition the Commission to adopt an alternative HCS study area based on the specific characteristics of its service territory or its specific business operating practices. The petitioning LEC will have the burden of proof in demonstrating that its alternative proposed HCS study area boundaries will permit a more efficient comparison of benchmark costs and revenues.

- b. The benchmark costs will be calculated using the Census Block Group (CBG) benchmark costs from the "Benchmark Cost Model" as filed with the FCC in CC Docket No. 80-286. The

Commission may also adopt any subsequent revisions to this model. The CBG costs will be aggregated to the HCS study area level by taking an average of CBG costs within that area weighted by the number of households in each of those CBGs. This weighted average cost will be the per household benchmark cost within the HCS study area. The benchmark costs will include an allowance for common costs.

- c. Any ILEC or facilities-based NEC may petition the Commission to adopt alternative benchmark costs based on company-specific analysis. The petitioning LEC will have the burden of proof in demonstrating that its alternative proposed benchmark costs more accurately reflect its true TELRIC costs within a given HCS study area.
- d. In each HCS study area, an ILEC, which provides service in that HCS study area, in whole or in part through its own facilities, will receive funding equal to the difference between total intrastate residential revenues from telecommunications services and total benchmark costs in that study area. Total intrastate residential revenues from telecommunications services include all revenues from intrastate retail residential services (including vertical services and any yellow pages revenues received from an affiliate, and any revenues from an affiliate that relate to the provision of intrastate telecommunications services), as well as wholesale payments by resellers for resale of residential services in that study area. Total benchmark costs are the calculated benchmark cost per household times the total number of households in the study area, less any avoided costs calculated according to Section V.A. of these guidelines.
- e. A facilities-based NEC serving a HCS study area, which provides service in that HCS study area, in whole or in part through its own facilities, will receive HCS funding equal to the difference between total residential revenues from telecommunications services and total benchmark costs in that study area. Total intrastate residential revenues include all revenues from intrastate retail services, as well as wholesale payments by resellers in that study area. Total benchmark costs are the calculated benchmark cost per household times the total number of households being served in that study area.
- f. Disbursements from the fund will be calculated based on 12 months of historical information on the number of

households served, benchmark costs, and total residential revenues within each HCS fund eligible area. The amount of subsidy received may also be adjusted to account for any subsidies received from other federal or state programs, including any federal universal service fund that may be adopted by the FCC.

- g. Unless the Commission finds it otherwise appropriate because the involved carrier is subject to competition, ILECs are eligible for HCS funding according to the above methodology only if such carriers are not exempt under Section II.A.2. of these guidelines.
- h. In determining HCS funding, the Commission will consider all relevant factors, including the carrier's return on equity.

## **2. Low-Income Support Withdrawal**

The calculation of the low-income subsidy will be the amount accrued by any LEC for discounting or waiving rates for services delineated under the low-income support program. The calculation of the amount of subsidy required for touch tone service, will be based on the actual incremental cost of providing that service. The calculation will be based only on program costs that are not recoverable through any other available subsidies or tax credits.

## **F. Universal Service Fund Administration**

- 1. The USF shall be managed by a neutral, third-party administrator, which will be selected by the Commission through a request for proposal (RFP) process and will be subject to the Commission's oversight.
- 2. The ongoing necessity of an intrastate USF will be reviewed periodically by the Commission and the fund administrator.

## **XIV. NUMBER PORTABILITY**

### **A. Principle**

End users should have the ability to retain the same telephone number as they change from one service provider to another as long as they remain in the same location, or when moving within the same wire center and exchange area.

## **B. Definitions**

Number portability refers to the ability of end users to retain their telephone numbers when they change their service, service provider, and/or their location.

### **1. Service Number Portability**

Service number portability is the ability of end users to retain the same telephone number as they change from one type of service to another (e.g., POTS to ISDN).

### **2. Location Number Portability**

Location number portability is the ability of end users to retain the same telephone number as they move from one NXX location to another.

### **3. Service Provider Number Portability**

Service provider number portability is the ability of end users to retain the same telephone number as they change from one LEC to another, without changing service locations.

### **4. Location Routing Number**

Location Routing Number (LRN) refers to an industry-developed call model to support permanent service provider number portability. LRN is a database system which does not rely on an absolute need to transport ported calls through the ILEC's network. Unlike RCF and DID, LRN should allow for enhanced calling services which rely on number identification (e.g., Caller ID, Call Trace, and blocking).

## **C. Commission Requirements**

1. A facilities-based LEC not offering LRN service provider number portability shall provide interim service provider number portability on an RCF or DID basis.
2. All facilities-based LECs shall provide LRN service provider number portability in accordance with the guidelines established below, and a time frame and manner to be established by the Commission in response to a open state-wide workshop.

3. The Commission shall schedule a state-wide LRN number portability workshop within 120 days of the issuance of these guidelines. The workshop will seek to establish the time frame and manner of the implementation of LRN number portability in the state of Ohio.

#### **D. Ohio Permanent Service Provider Number Portability Guidelines**

##### **1. Impact on End Users**

- a. Call redirection must be transparent to end users.
- b. Dialing party must have an indication of a call's toll status.
- c. There shall be no loss of functionality, quality of service, or access to services. Access to 9-1-1, E-9-1-1, information, and other services shall remain available.

##### **2. Impact on Local Service Provider**

- a. The Ohio permanent number portability solution must be compatible with Intelligent Network (IN) and Advanced Intelligent Network (AIN) software, must support essential services, and must allow for tandem interconnection.
- b. Current transmission quality, call set-up/delay, reliability, and other applicable standards must continue to be met.
- c. The Ohio permanent number portability solution must not require transport through the ILEC's network for call completion.
- d. Non-number portability capable networks must be able to interconnect.
- e. Any operator must be able to perform a busy line verification of a ported number line, and must be able to handle collect calls, third-party billing, and Call Trace.

##### **3. Miscellaneous Requirements**

- a. The Ohio permanent number portability solution shall efficiently use telephone numbers and must not accelerate the depletion of numbering resources.

- b. The Ohio permanent number portability solution should be of an open network architecture, free of licensing fees.
- c. The Ohio permanent number portability solution must be expandable to location portability capability.

## **XV. DIRECTORY LISTINGS**

### **A. Requirements of Minimum Telephone Service Standards**

LECs shall be required to adhere to the Minimum Telephone Service Standards (MTSS) regarding the provisioning of directories and directory assistance.

1. A LEC shall provide each of its subscribers, free of charge, a single, comprehensive, printed directory for all telephone numbers with the exception of non-published or non-list phone numbers within the LEC's local calling area (As detailed by the MTSS).
2. Directory assistance listing and intercept service shall be provided in accordance with the Commission's MTSS.

### **B. Provisioning**

LECs may purchase the provisioning of published directories and directory assistance from other providers. Regardless of whether the ILEC provides published directories and directory assistance itself or purchases such provisioning from another entity, the LEC will be considered the provider of the directory and directory assistance as it pertains to adherence to the MTSS.

### **C. Competitive Listings**

1. Upon a bona fide request, a LEC shall include in its standard published directory listing and directory assistance listing a listing of, at least, the requesting LEC's customers within the geographic region served by the requested LEC's current directory.
2. Upon a bona fide request, a LEC shall provide a listing of, at least, all of its customers within the requesting LEC's service area.
3. Prices for such provision of directory listings and directory assistance listings shall be set at a level that allows the requested LEC to recover the TELRIC of providing such services and a reasonable contribution

to the joint and common costs incurred. The allocation of joint and common costs shall be in accordance with the method described in Section V.B.4.c. of these guidelines.

**D. Updates to Listings**

1. All requests for printed listings of competitor's customers will be implemented at the next regularly scheduled update of the directory provider's printed directory (as detailed by the MTSS).
2. All requests for directory assistance listings and updates of competitor's customers will be implemented as requests are received in a manner and time commensurate with the directory provider's treatment of its own new subscribers and as required under the MTSS.

**XVI. INTERCONNECTION TECHNICAL STANDARDS**

**A. Disclosure Requirements**

Where one LEC seeks interconnection to another's network, both parties shall be required to disclose to each other any and all technical requirements necessary to ensure compatibility between networks and integrity of service in their respective service areas.

**B. Costs of Network Modifications**

To the extent a LEC's technical requirements involve any addition to or modification of existing standard interconnection arrangements, the costs of such additions and/or modifications to be compatible with such a non-standard interface shall be negotiated between the interconnecting parties. In the event of a dispute between such parties, the Commission will establish whatever process it deems appropriate to resolve the dispute.

**C. Facilities**

Each LEC is individually responsible to provide those network functionalities within its service territory that are necessary for routing, transporting, and billing traffic to and from other certified LEC's networks.

**D. Minimum Compliance**

Upon interconnection with another's network, LECs must, at a minimum, comport with current Commission MTSS requirements, as well as any existing state and industry technical standards necessary to facilitate the seamless and transparent transmission of a call between companies.

**E. Availability of Technical Standards**

A LEC must make available to other LECs technical interfaces that are at least equal in quality to that which it provides itself, or any subsidiary or affiliate. Furthermore, any technical interfaces provided to an interconnecting LEC must also be made available under the same terms and conditions to other LECs making substantially similar requests.

**F. Notice of Changes in Technical Requirements**

If a LEC intends to alter its technical requirements in a manner that will affect its existing or anticipated interconnection arrangements in any way, the LEC must provide notice of its intentions to all interconnecting parties, the Commission, and all other interested parties. Such notice must be served by the LEC no less than six months prior to implementation of the respective technical changes, and must include at a minimum: (1) the date the changes are to occur; (2) the location(s) at which the changes are to occur; and (3) a description of the changes, in sufficient detail to enable the affected interconnecting parties to adequately respond.

**G. Service Quality Compatibility**

Each LEC is individually responsible for the quality of service it provides. Where requested, however, and to the extent technically feasible, LECs may implement joint network management controls to further overall service integrity. Where such monitoring is not technically feasible on the part of the NEC, the ILEC, if technically feasible, will perform these functions on the NEC's behalf, subject to time and materials charges, as mutually agreed upon.

**H. Federal Requirements**

Each LEC is solely responsible for participation in and compliance with any federally mandated technical standard requirements.

## **I. Support Functions**

LECs are not responsible for providing services to each other's end users; however, where one LEC's limitation or lack of facilities dictates, the competing parties must establish arrangements to ensure that support functions (e.g., 9-1-1, operator services, directory assistance, telecommunications relay service, etc.) are available to the customers of both LECs.

## **XVII. CONSUMER SAFEGUARDS**

The following provisions apply to all LECs, including switchless rebillers, resellers, and other local telecommunications carriers operating in the state of Ohio.

### **A. Customer Education**

LECs are responsible for providing their customers with informational, promotional, and educational materials explaining the carrier services, rates, and customers' options. Such materials must also be submitted to the Commission's Consumer Services Department and OCC. These materials include, but are not limited to, the notices required by Section VI. of these guidelines. In those situations where a notice requirement has been or will be placed on LECs by the Commission, such notice requirement takes precedence over this section. These materials shall be written in such a way that allow customers to make comparisons between comparable services. Such information should include basic information such as:

1. An explanation of the nature of the service, its application, and any restrictions or limitations;
2. If services are bundled, an identification and explanation of individual service components and associated prices;
3. An identification and explanation of any one-time, nonrecurring charge(s);
4. An identification and explanation of recurring charge(s) (i.e., usage, access, etc.); and

5. An identification of any special attributes of this service.

The Commission may require, review, or request modification of customer notices, billing information, or other customer education materials. Copies of all informational and educational materials for residential services shall be provided to OCC at the same time such materials are provided to the Commission.

#### **B. Marketing Practices**

1. No LEC shall commit an unfair, deceptive, or unconscionable act or practice in connection with a consumer transaction. Such an unfair, deceptive, or unconscionable act or practice by a LEC violates these guidelines whether it occurs before, during, or after the transaction.
2. Engaging in any of these unfair, deceptive, or unconscionable acts or practices constitutes unjust, unreasonable, and inadequate service under Section 4905.26, Revised Code.
3. No LEC shall make any offer for services in written or printed advertising or promotional literature without stating clearly and conspicuously in close proximity to the words stating the offer any material exclusions, reservations, limitations, modifications, or conditions. Disclosure shall be easily legible to anyone reading the advertising or promotional literature and shall be sufficiently specific so as to leave no reasonable probability that the terms of the offer might be misunderstood.
4. Offers made through radio or television advertising must be preceded or immediately followed by a conspicuously clear and oral statement of any specific exclusions, reservations, limitations, modifications, or conditions.
5. All LECs are prohibited from the practice of advertising or offering goods or services as "free" when in fact the cost of the "free" offer is passed on to the consumer by raising the tariffed price of the goods or services that must be purchased in connection with the "free" offer.
6. Subscriber enrollment shall only occur upon the customer affirmatively selecting (positive enrollment) the pertinent service(s). Negative enrollment by the LECs shall not be permitted unless otherwise ordered by the Commission.

7. It shall be the duty of the LEC to preserve the privacy of customer proprietary information and transactions to acquire local exchange service and protect such information and transactions from commercial abuse.

In addition to the guidelines on CPNI set forth in Section XI.C. of these guidelines, a LEC or any LEC affiliate shall not, without the prior affirmative, written consent of the customer, provide to any telecommunications equipment manufacturer or telecommunications provider CPNI for use with or in connection with the manufacturing of telecommunications equipment or the provision of local exchange, interLATA, information, enhanced, or video services that are disseminated by means of such LEC's or any of its affiliates' facilities.

8. All LECs shall comply with all existing and future Commission orders relating to customer notice/education requirements (e.g., inside wire). Failure to comply with such requirements violates the MTSS, Rule 4901:1-5-23 (A), Ohio Administrative Code, which requires that "each local exchange company shall provide the information and assistance necessary to enable an applicant or subscriber to obtain the most economical local exchange company-provided services conforming to his or her stated needs." Further, the Commission may seek appropriate remedies under Sections 4905.54 and 4905.57, Revised Code.
9. If, upon complaint of a customer or upon its own motion, the Commission finds that the practices of any LEC with respect to the marketing of its services or products are unjust or unreasonable, the Commission may require the practices of such LEC to be discontinued and/or may prescribe the practices to be observed by such LEC in its marketing of regulated services.
10. The Commission's Consumer Services Department shall oversee LEC marketing practices by:
  - a. Monitoring complaints received by the Public Interest Center regarding LEC marketing activities;
  - b. Reviewing sales scripts and marketing manuals utilized by LEC sales and customer service personnel when deemed necessary to monitor marketing practices;
  - c. Reviewing LEC advertising and promotional literature when deemed necessary to monitor marketing practices;

- d. Monitoring live telephone sales presentations by customer service representatives when deemed necessary to monitor marketing practices;
- e. Recommending needed procedure modifications; and
- f. Providing regular updates to the Commission regarding the Consumer Services Department's findings.

**C. Local Service Carrier Subscription/Slamming**

1. No subscriber's LEC may be changed unless and until the change has first been confirmed in accordance with one of the following procedures:
  - a. A subscriber's LEC may be changed when the LEC has obtained the subscriber's written authorization on a letter of agency (LOA) that explains what occurs when a subscriber's LEC is changed.
    - i. The LOA shall be a separate document and its sole purpose is to authorize a LEC to initiate a primary LEC change. If the subscriber will incur a charge as a result of changing LECs, the LOA must contain a notification to the subscriber that a charge will be assessed to him/her as a result of the charge. The LOA must be signed and dated by the subscriber to the telephone line(s) requesting the carrier change.
    - ii. The LOA shall not be combined or utilized in conjunction with promotions (e.g., sweepstakes) of any kind. The LOA may be combined with checks that contain only the required LOA language described below and the necessary information to make the check a negotiable instrument. The LOA check shall not contain any promotional language or material. The LOA check shall contain, in easily readable, bold face type on the front of the check, a notice that the consumer is authorizing a primary LEC change by signing the check. The LOA language shall also be placed near the signature line on the back of the check.
    - iii. At a minimum, the LOA must be printed with a type of sufficient readable size and type to be clearly legible

and must contain clear and unambiguous language that confirms:

- a. The subscriber's billing name and address and each telephone number to be covered by the LEC change order;
  - b. The decision to change the LEC from the current LEC to the prospective LEC;
  - c. That the subscriber designates the LEC to act as the subscriber's agent for the LEC change;
  - d. That the subscriber understands that only one carrier may be designated as the primary LEC for any one telephone number. Any carrier designated as the primary LEC must be the carrier directly setting the rates for the subscriber; and
  - e. That the subscriber understands that any change in LECs may involve a charge for such change.
- iv. LOAs shall not suggest or require that a subscriber take some action in order to retain the subscriber's current LEC.
- b. A subscriber's LEC may be changed once the new LEC has obtained the subscriber's electronic authorization, placed from the telephone number(s) for which the service is to be changed, that confirms the information described in Section XVII.C.1.a. of these guidelines to confirm the authorization. LECs electing to confirm changes electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a subscriber to a voice response unit, or similar mechanism, that records the required information (including questions and responses) regarding the change of providers, including automatically recording the originating Automatic Number Identification (ANI); or
- c. A subscriber's LEC may be changed by way of an appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative obtaining the subscriber's oral authorization to submit the change order that confirms and includes appropriate

verification data (e.g., the subscriber's date of birth or social security number).

2. Requests for a change of LEC may take place immediately upon request. However, within three business days of the subscriber's request for a change of LEC, the new LEC utilizing enrollment options in Section XVII.C.1.b. or c., above, must send each new subscriber an information package by first class mail containing at least the following information concerning the requested change:
  - a. The information is being sent to confirm a telemarketing order placed by the subscriber within the previous week;
  - b. The name of the subscriber's current LEC;
  - c. The name of the new LEC;
  - d. A description of any terms, conditions, and/or charges that will be incurred;
  - e. The name of the person ordering the change;
  - f. The name, address, and telephone number of both the subscriber and the soliciting LEC;
  - g. An LOA and postpaid envelope (the LOA should contain the information outlined in Section XVII.C.1.a., above, and should be returned to the soliciting LEC to be kept on file to confirm the subscriber's selection); and
  - h. The address and telephone number of the Commission's Consumer Services Department for consumer complaints.
3. The verification procedures described above are not intended to substitute for written authorization from subscribers as evidence in a LEC change dispute. LECs must obtain LOAs for use in resolving disputes regarding all changes in subscriber service. Any LEC that violates the verification procedures described above and collects charges for the provision of local service from a subscriber shall rerate the subscriber's calls and be liable to the LEC previously selected by the subscriber in an amount equal to all charges paid by such subscriber after such violation. Additionally, the subscriber may file a complaint under Section 4905.26, Revised Code, and the Commission may seek additional penalties and remedies against the

offending LEC under Sections 4905.54 and 4905.57, Revised Code, and any other applicable statute.

**D. End User Complaints**

An end user may contact the Commission's Consumer Services Department to lodge an informal complaint against a LEC. A formal complaint filed by an end user against a LEC will be considered by the Commission pursuant to Section 4905.26, Revised Code.

**XVIII. REGULATORY OVERSIGHT**

**A. Principle**

The Commission has an obligation to ensure that the regulatory framework for competing LEC is and remains consistent with the policy of the state as set forth in Section 4927.02, Revised Code.

**B. Monitoring of Competitive Market for Local Exchange Services**

1. The Commission shall monitor the implementation of the regulatory requirements prescribed to effectuate competition in the provision of local exchange services, as well as the impact of such requirements upon the local services market and the customers.
2. The Commission reserves the right to impose alternative requirements upon LECs in the event it determines modifications to the adopted guidelines are necessary or advisable to ensure an effective, competitive marketplace or as required by public interest considerations.
3. No later than three years after the adoption of these guidelines, the Commission shall review, on an ILEC-specific or industry-wide basis, the continuing appropriateness of the guidelines adopted herein in view of the number and size of alternative providers of local exchange services in the respective ILEC's service area, the extent to which services are available from alternative providers in the relevant market, the ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions, and other indicators of market power, e.g., market share, growth of market share, ease of entry, and the affiliation of providers of services. The procedures to be followed in implementing any company-specific changes resulting from such review shall be determined with respect to the

applicable form of regulation under which the company is operating at the time.

4. Should an ILEC desire to be relieved of certain duties and responsibilities established by these guidelines prior to the Commission's review pursuant to Section XVIII.B.3., above, it may request such relief in an alternative regulation proceeding pursuant to Section 4927.04, Revised Code, or in a proceeding filed pursuant to Section 4927.03, Revised Code.

### **C. Resolution of Disputes Among Carriers**

1. Under its authority pursuant to Section 4905.26, Revised Code, the Commission will consider carrier-to-carrier complaints. In carrier to-carrier complaints concerning issues other than implementation of interconnection arrangements, the Commission will issue a procedural entry in these cases within 30 calendar days of the filing of the complaint, and will endeavor to conclude the case within 180 calendar days.
2. A carrier-to-carrier complaint involving implementation of interconnection arrangements filed pursuant to Section 4905.26, Revised Code, shall be subject to the following streamlined complaint procedure:
  - a. A copy of the complaint shall be served upon the respondent, the chief of the telecommunications division of the Utilities Department, and the chief of the telecommunications section of the Legal Department on the same day it is filed with the Commission. Service in this instance equates to actual delivery.
  - b. Discovery may commence upon the filing of the complaint and responses to discovery must be provided to the requesting party within two business days.
  - c. An answer and any other responsive pleading to the complaint shall be filed and served at the same time upon the complainant, the chief of the telecommunications division of the Utilities Department, and the chief of the telecommunications section of the Legal Department within 5 calendar days of the date on which the complaint was filed.
  - d. A prehearing conference shall be held within 10 calendar days of the date on which the complaint was filed; and

- e. A determination as to reasonable grounds and, if appropriate, an order directing legal notice of a hearing shall be issued within 15 calendar days of the date on which the complaint was filed.
- F. The hearing shall commence within 40 calendar days of the date on which the complaint was filed.
- g. The Commission will endeavor to issue its decision in the complaint case within 90 calendar days of the date on which the complaint was filed.
- h. In any given case, if the Commission perceives that there is a threat to competition and the public interest, the Commission may seek appropriate injunctive relief.