

Douglas E. Hart
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November 27, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street S.W.
Washington, D.C. 20554

**REDACTED PETITION AND REQUEST FOR
CONFIDENTIAL TREATMENT**

**Re: Petition of Cincinnati Bell Telephone LLC for Pricing Flexibility for Special
Access and Dedicated Transport Services and Channel Terminations**

Dear Ms. Dortch:

Cincinnati Bell Telephone Company LLC (CBT) hereby submits its petition seeking pricing flexibility for Phase I Pricing Flexibility for Special Access, Dedicated Transport and End-User Channel Termination Services and Phase II Pricing Flexibility for POP Channel Terminations in the Cincinnati, OH-KY-IN Metropolitan Statistical Area (MSA), and for Phase I Pricing Flexibility for Special Access, Dedicated Transport and POP Channel Termination Services in the Hamilton - Middletown, Ohio MSA. This petition is filed pursuant to §§ 1.774 and 69.701, *et seq.*, of the Commission's Rules.

CBT hereby formally requests confidential treatment of the data contained in Attachments C, D, E and G filed in conjunction with the above referenced petition. In this regard, CBT requests that the information provided under separate cover and marked "CBT Proprietary" be withheld from public disclosure pursuant to 5 U.S.C § 552(b)(4) and §§ 0.457(d) and 0.459 of the Commission's Rules, 47 C.F.R. §§ 0.457(d) and 0.459.

As required by § 0.459(b) of the Commission's Rules, CBT provides the following information:

- (1) CBT seeks confidential treatment of the data contained in Attachments C, D, E and G to this Pricing Flexibility Petition.
- (2) CBT is submitting this confidential information because it is necessary to support CBT's Pricing Flexibility Petition under the Commission's Rules for granting pricing flexibility for regulated services.
- (3) The information requested contains sensitive commercial and financial information that is considered a trade secret, including special access and dedicated transport revenues and demand levels for specific wire centers in certain Metropolitan Statistical Areas (MSAs) and the names and location of Competitive Local Exchange Carriers (CLECs) collocated in specific CBT wire centers in those geographic areas.
- (4) The information concerns location specific revenues for special access services that are subject to competition, as well as the location and identity of competitors, which is carrier proprietary information subject to § 222(b) of the Telecommunications Act.
- (5) Public disclosure of this information could substantially harm CBT and competitors by providing other actual and potential competitors with the information necessary to implement marketing strategies and deploy facilities designed to win local exchange and access service customers. Competition for special access and dedicated transport services already exists in these areas. In addition, the Telecommunications Act of 1996 has expanded the opportunities for CLECs, interexchange carriers, cable providers, wireless carriers, and others in the telecommunications industry to enter the local exchange market.
- (6) CBT considers this information proprietary and confidential and it has been maintained on a confidential basis within CBT and would not ordinarily be disclosed to parties outside the company.
- (7) This information should never be disclosed to the public, as it is commercially sensitive business information. CBT has not previously disclosed this information to third parties.
- (8) The information should be kept confidential indefinitely. Confidential treatment must be accorded for as long as the information would provide a basis for competitors to assess CBT's demand levels in specific areas. Confidential treatment of carrier proprietary network information must be maintained until those companies indicate that it is no longer proprietary. CBT cannot determine at this time when the information might become obsolete for these purposes.

As stipulated in Section 0.459(e) of the Commission's Rules, CBT respectfully requests that the financial information submitted voluntarily herewith be returned if CBT's request for confidentiality is denied.

All correspondence and inquiries with this request should be addressed to Michael E. Bishop, Senior Manager, at 221 East Fourth Street, Cincinnati, Ohio 45202.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Douglas E. Hart". The signature is fluid and cursive, with a large initial "D" and "H".

Douglas E. Hart

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

In the Matter of)
)
Petition of Cincinnati Bell Telephone)
Company LLC (CBT) For Phase I Pricing)
Flexibility for Special Access, Dedicated)
Transport Services and End-User Channel)
Terminations, and Phase II Pricing Flexibility) WCB/Pricing File No. _____
for POP Channel Terminations in the)
Cincinnati, Ohio-Kentucky-Indiana)
Metropolitan Statistical Area, and Phase I)
Pricing Flexibility for Special Access,)
Dedicated Transport Services and POP)
Channel Terminations in the Hamilton –)
Middletown, Ohio Metropolitan Statistical)
Area)

**PETITION OF CINCINNATI BELL TELEPHONE COMPANY LLC
FOR PRICING FLEXIBILITY FOR SPECIAL ACCESS AND DEDICATED
TRANSPORT SERVICES AND CHANNEL TERMINATIONS**

Cincinnati Bell Telephone Company LLC (CBT) hereby seeks pricing flexibility pursuant to §§ 1.774 and 69.701, *et seq.*, of the Commission's Rules. Specifically, CBT demonstrates in this Petition that it is eligible under the Rules for Phase I Pricing Flexibility for Special Access, Dedicated Transport and End-User Channel Termination Services and Phase II Pricing Flexibility for POP Channel Terminations in the Cincinnati, OH-KY-IND Metropolitan Statistical Area (MSA), and for Phase I Pricing Flexibility for Special Access, Dedicated Transport and POP Channel Termination Services in the Hamilton - Middletown, Ohio MSA.¹

Sections 69.709 and 69.711 of the Rules set forth specific competitive thresholds for two graduated phases of pricing flexibility. In Attachment D, CBT demonstrates that under § 69.709

it has met the thresholds for Phase I relief for Special Access and Dedicated Transport, and Phase II relief for POP Channel Terminations in the Cincinnati OH-KY-IN MSA. Attachment D also demonstrates that CBT has met the thresholds under § 69.711 for Phase I relief for Channel Termination Service in the Cincinnati OH-KY-IN MSA. In Attachment E, CBT demonstrates that under § 69.709 it has met the thresholds for Phase I relief for Special Access, Dedicated Transport and POP Channel Terminations in the Hamilton – Middletown, Ohio MSA.

THRESHOLDS

Cincinnati OH-KY-IN MSA

For dedicated transport and special access services (other than channel terminations between CBT's end office and an end user customer premises), CBT satisfies the Phase I trigger by demonstrating that unaffiliated competitors have collocated in at least 15% of CBT's wire centers within an MSA. Additionally, at least one of the collocated competitors in each wire center uses transport services provided by a transport provider other than CBT.² For POP Channel Terminations, CBT satisfies the Phase II trigger by demonstrating that unaffiliated competitors have collocated in wire centers accounting for 65% of CBT's revenues from these services within an MSA. At least one of the collocated competitors in each wire center uses transport services provided by a transport provider other than CBT.³

For channel terminations between CBT's end office and an end user customer premises, CBT satisfies the Phase I trigger by demonstrating that unaffiliated competitors have collocated in wire centers accounting for 65% of CBT's revenues from this service within an MSA.⁴ At

¹ The specific data supporting CBT's Petition is set forth in Attachments C, D and E.

² 47 C.F.R. § 69.709(b).

³ 47 C.F.R. § 69.709(c).

⁴ 47 C.F.R. § 69.711(b).

least one of the collocated competitors in each wire center uses transport services provided by a transport provider other than CBT.⁵

Hamilton – Middletown OH MSA

For dedicated transport, special access services (other than channel terminations between CBT's end office and an end user customer premises) and POP channel Terminations, CBT satisfies the Phase I trigger by demonstrating that unaffiliated competitors have collocated in at least 15% of CBT's wire centers within an MSA. Additionally, at least one of the collocated competitors in each wire center uses transport services provided by a transport provider other than CBT.⁶

METHODOLOGY

The methodology supporting CBT's analysis that it has met the Phase I and Phase II triggers is set forth in Attachment B to this Petition. The methodology includes the procedures CBT used to collect and calculate the data supporting this Petition. Attachment B explains how CBT identified competitors who are collocated in CBT's wire centers and collocators who use transport facilities owned by a provider other than CBT. Attachment B also explains how CBT assigned wire centers to the MSA.

Attachment B further describes how CBT gathered the revenue data used to calculate the percentages necessary to satisfy the thresholds. Finally, Attachment B explains the format of Attachments C, D and E, where all the data and calculations are provided.

⁵ 47 C.F.R. § 69.711(c).

⁶ 47 C.F.R. § 69.711(c).

THRESHOLDS MET

Attachment C provides the summary results of CBT's analysis. For the Cincinnati OH-KY-IN MSA, CBT qualifies for both Phase I relief for dedicated transport, special access, and end-user channel terminations. CBT qualifies for Phase II relief for POP channel terminations. For the Hamilton – Middletown OH MSA, CBT qualifies for Phase I relief for dedicated transport, special access, and POP channel terminations.

In Attachments D and E, CBT makes separate showing for each MSA that it has satisfied the Phase I and Phase II triggers as set forth above and in Attachment C. CBT demonstrates that it has met these triggers by providing in Attachments D and E the following information, as required by § 1.774(a)(3) of the Rules:

- 1) The total number of wire centers in the relevant MSA;
- 2) The number and location of wire centers in which competitors have collocated in the relevant MSA;
- 3) The name of at least one collocator that uses transport facilities owned by a provider other than CBT; and
- 4) (a) The percentage of wire centers in the relevant MSA with collocation; or (b) The percentage of total base period revenues generated by services at issue in the relevant MSA in wire centers with collocation.

Attachments D and E separately set forth the revenues from POP channel termination and end-user channel termination services. Attachment F is a list of the specific access services that would qualify for pricing flexibility following the approval by the Commission of this Petition.

Finally, Attachment G is CBT's Certification, pursuant to § 1.774(3)(1)(ii) of the Commission's Rules, that CBT served each party upon which it relies to meet its obligations under Rule 1.774(a)(3)(iii), with the information CBT provided about that party in this Petition (shown in the unredacted version of Attachments D and E).

CONCLUSION

The Commission should grant this Petition based upon CBT's demonstration that it meets the requirements for Phase I and Phase II relief as set forth herein for the relevant Special Access and Dedicated Transport services and Channel Terminations in the MSAs identified in Attachments C, D and E hereto.

Respectfully submitted,



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Telephone Company LLC

November 27, 2007

Filing Entities and Study Areas

Operating Company

COSA

Cincinnati Bell Telephone Company LLC

CBTC

STUDY METHODOLOGIES AND DATA CALCULATION

In seeking pricing flexibility, CBT utilized the collocation data, wire center revenues, and wire center MSA assignment methodologies described below to determine the MSAs and access service categories that qualified for Phase I and Phase II pricing flexibility relief:

- 1) Identification of wire centers with competitor collocation and transport;
- 2) Assignment of wire centers to individual MSAs based on the percent of the wire center's area within the MSA;
- 3) Calculation of the annual 2006 POP channel termination and end user channel termination revenues earned in the MSA;
- 4) Calculation of the annual 2006 POP channel termination and end user channel termination revenues attributable to the collocated wire centers in the MSA; and
- 5) Calculation of the percentage of POP channel terminations and end user channel termination revenues earned in collocated wire centers in the MSA.

1.0 Identification of Qualifying Competitors Collocated in CBT's Wire Centers

CBT identified its wire centers where at least one competitor is collocated, then validated that at least one competitor collocated in each of those wire centers "uses transport facilities owned by a provider other than the price cap LEC to transport traffic from that wire center . . ."⁷

⁷ 47 C.F.R. §1.774(a)(3)(iii).

CBT first examined the billing records of customers being billed monthly recurring charges for collocation floor space and other applicable collocation rate elements. Secondly, physical inventories were performed to validate the accuracy of the billing information, and that the collocation was operational. CBT's engineers then validated that the competitors listed in each wire center were using transport facilities owned by a transport provider other than CBT. The engineers either used information supplied previously by the competitors or physically verified that the competitor had transport facilities owned by a non-CBT provider.

2.0 Assignment of Wire Centers to MSAs

In assigning its wire centers to MSAs, CBT utilized both the engineering maps of the company and the MSA boundary maps displayed on the Commission's internet web site.⁸ If the exchange area served by a CBT wire center was completely within an MSA, the wire center was assigned to that MSA. For those wire centers intersecting an MSA boundary, CBT calculated the exchange area that fell within the MSA. If the area calculated exceeded 50% of the total area of the wire center, the wire center was assigned to the MSA.

3.0 Data Gathering and Revenue Calculation

Billing information was extracted from databases that comprise actual 2006 billing detail for all circuits. The information extracted from the 2006 billing records was at the circuit level detail in order

⁸ Consistent with Rule 1.774(a)(1), the MSA boundaries used were the MSA/RSAs defined by the FCC and displayed on the FCC web site (<http://www.fcc.gov/oet/info/maps/census/metroareas/>). If any wire centers provided service to areas within more than one MSA, the wire center was assigned to the MSA with the predominant portion of its service area.

to assign the individual revenue elements to the proper pricing flexibility revenue category for each wire center.⁹ For example, information was extracted for each circuit that allowed identification of the channel termination to be associated with the carrier's point of presence ("POP") serving wire center and/or the end user's serving wire center.

In compliance with Part 69.725 of the Commission's Rules, CBT employed the following criteria for revenue assignment:

- 1) For entrance facilities and channel terminations between an IXC POP and a serving wire center, 100% of associated revenue was assigned to the CBT wire center; and
- 2) For channel terminations between a CBT end-office and a customer premises, 100% of associated revenue was assigned to the CBT end-office.

Pursuant to Commission rules, a separate standard governs the demonstration of competitive presence within an MSA required to obtain Phase I or Phase II relief for end user channel termination services and all other transport services. In order to show compliance with this standard, it was necessary for CBT to differentiate revenues associated with local channels provided to end users from other special access/dedicated transport revenues. CBT accomplished this differentiation by searching its CABS database and extracting the following information, for the USOCs¹⁰ associated with each rate element:

- 1) End user customer -- CBT maintains information in its billing system that identifies end user circuits using a "ZZZ" ACNA. Circuit locations with an ACNA other than "ZZZ" are associated with channel terminations between the CBT Serving Wire Center and the carrier POP. Therefore, channel terminations associated with an ACNA of "ZZZ" were classified as end user channel terminations.

⁹ The billing system used for this process was CBT's Customer Access Billing System (CABS), which contains current customer and historical billing records.

¹⁰ Universal Service Order Code (USOC) is used to identify the type of service being provided. For example: Switched, Special Access, Transport, Channel Termination.

- 2) USOC -- The unique identifier associated with a service element, which is used to identify the service being provided.
- 3) Interstate Revenue -- Total billed interstate revenue attributable to the USOC (from annual 2006 revenue data).
- 4) Location -- The wire center location of the service element identified by the USOC.

Each record was examined using the POP/end user field to determine the appropriation of revenues into POP or end user classification.

4.0 Calculation To Satisfy Phased Competitive Thresholds

Attachments D and E have been provided in compliance with Rule 1.774(a)(3), which requires that a petition seeking pricing flexibility must include the following:

- 1) The total number of wire centers in the relevant MSA;
- 2) The number and location of wire centers in which competitors have collocated in the relevant MSA;
- 3) The name of at least one collocator that uses transport facilities owned by a provider other than CBT; and
- 4A) The percentage of wire centers in the relevant MSA with collocation; or
- 4B) The percentage of total base period revenues generated by services at issue in the relevant MSA in wire centers with collocation.

Summaries of the results for all relevant MSA portions of a study area are shown in Attachment C. This attachment includes a chart summarizing the results for end user channel termination revenues, and for POP channel terminations. Attachment C lists the relevant MSAs' names and numbers, the total revenue for the service at issue and identification of the Phase I or Phase II relief qualification. All revenues were determined based on annual 2006 base period revenues.

Attachments D and E provide, for each of the relevant MSAs, a listing of each of the wire centers¹¹ in the MSA. For each wire center with collocation, as defined above, it also lists the name of at least one collocator in that wire center.¹² In addition, Attachments D and E show the revenue generated by the service at issue in wire centers with collocation. At the bottom of each MSA sheet is the following data:

- 1) The total number of wire centers in the MSA;
- 2) The number of wire centers with collocation in the MSA;
- 3) Total end user channel termination revenue earned in the MSA;
- 4) Total POP channel termination revenue earned in the MSA;
- 5) End user channel termination revenue earned in wire centers with collocation in the MSA;
- 6) POP channel termination revenue earned in wire centers with collocation in the MSA;
- 7) Percentage of end user channel termination revenue earned in collocated wire centers; and
- 8) Percentage of POP channel termination revenue earned in collocated offices.

¹¹ The wire centers are listed both by name and by the first eight characters of their Common Language Location Identifier (CLLI) which provide information necessary to identify the location of the wire center.

¹² CBT requests confidential treatment of information contained in Attachments C, D, E and G, specifically with respect to the revenues and the names of the collocators in each of the wire centers upon which it relies to meet the Commission's thresholds. Therefore, Attachments C, D, E and G are provided in a public version with the revenues and the names of the collocators redacted and a proprietary version for the Commission's review with the revenues and the names of the collocators included.

Cincinnati Bell Telephone

CBT Proprietary

Attachment C

Summary Sheet of MSAs

MSA Areas and Petitioned Relief

		2006 Revenues											
		Dedicated Transport & Special Access				POP Channel Terminations				End User Channel Terminations			
MSA		Phase 1 Relief (>15% WC or >30% Rev)	Phase 2 Relief (>50% WC or >65% Rev)	Phase 1 Revenue Relief	Phase 2 Revenue Relief	Phase 1 Relief (>15% WC or >30% Rev)	Phase 2 Relief (>50% WC or >65% Rev)	Phase 1 Revenue Relief	Phase 2 Revenue Relief	Phase 1 Relief (>50% WC or >65% Rev)	Phase 2 Relief (>65% WC or >85% Rev)	Phase 1 Revenue Relief	Phase 2 Revenue Relief
Cincinnati OH KY IND MSA 1642 PMSA 1640		Yes	No	N/A	N/A	Yes	Yes			Yes	No		N/A
Hamilton - Middletown, OH MSA 1642 PMSA 3200		Yes	No	N/A	N/A	Yes	No	N/A	N/A	No	No	N/A	N/A

Cincinnati Bell Telephone
MSA: Cincinnati OH KY IND MSA 1642 PMSA 1640
Special Access & Dedicated Switched Access Pricing Flexibility Petition
Required Collocator Demonstrations

Attachment D
CBT Proprietary

Special Access

Wire Center CLLI	Wire Center Name	Collocators with Non Cincinnati Bell Entr. Facilities	POP Channel Termination Revenue (A)	End User Channel Termination Revenue (B)	Customers Facilities Other Than The
0	UNINKYAC	Union			
0	ALXNKYAL	Alexandria			
1	CNCNOHAV	Avondale			
0	BATVOHBA	Batavia			
0	BETHOHBE	Bethel			
0	BURLKYBN	Burlington			
0	CNCNOHCD	Covedale			
0	CHGVOHCG	Cherry Grove			
0	CHVTOHCH	Cheviot			
1	CVTNKYCN	Covington			
1	RILTOHCS	Crescentville			
1	EVDLOHEV	Evendale			
1	FLRNKYFL	Florence			
0	FTTHKYFT	Fort Thomas			
0	GLDLOHGD	Glendale			
0	GRSBOHGR	Groesbeck			
0	GSHNOHGS	Goshen			
0	CNCNOHHP	Hyde Park			
0	HRSNOHHR	Harrison			
0	HMLTOHLT	Hamlet			
0	CNCNOHHW	Hartwell			
0	INDPKYIN	Independence			
0	LVLDOHLO	Loveland			
0	LKPKKYLP	Lakeside Park			
0	CNCNOHMA	Madisonville			
0	MLFROHMF	Milford			
1	MTHTOHMT	Mount Healthy			
0	MMTPOHMM	Miami			
0	MTGMOHMC	Montgomery			
0	CNCNOHMM	Mount Washington			
0	NWVLOHNE	Newtownsville			
0	GRHLOHNG	North Greenfield			
0	NWMDOHNR	New Richmond			
0	CNCNOHNS	Northside			
1	NRWDOHNV	Norwood			
0	CNCNOHPH	Price Hill			
1	RSMYOHRO	Rossmoyne			
0	STBROHSB	St. Bernard			
0	CNCNOHSP	Sayler Park			
0	TBSCOHTO	Tobasco			
0	CNCNOHWD	Westwood			
1	CNCNOHWS	West Seventh			

Wire Centers in MSA	42
Wire Centers with Collocation	9
% Wire Centers w/ Collocation	21%

POP Channel Termination Revenue	
POP Channel Termination Revenue in Wire Centers w/ Collocation	
% Revenue in Collocated Wire Centers	68.7% 74.7%

Cincinnati Bell Telephone

MSA: Hamilton- Middletown, OH MSA 1642 PMSA 3200

Attachment E

Special Access & Dedicated Switched Access Pricing Flexibility Petition

Required Collocator Demonstrations

CBT Proprietary

<u>Wire_Center</u> <u>CLI</u>	<u>Wire_Center</u> <u>Name</u>	<u>Collocators with Non Cincinnati Bell</u> <u>Entr. Facilities</u>	<u>Transport</u> <u>Facilities Other</u> <u>Than The LEC</u>
0	FRFDOHFF Fairfield		
1	HMTNOHHM Hamilton		
0	RELYOHRE Reily		
0	SHNDOHSH Shandon		
0	SVMLOHSM Seven Mile		
0	WCHSOHWC West Chester		

Wire Centers in MSA	6
Wire Centers with Collocat	1
% Wire Centers w/ Colloca	17%

**Access Services for Pricing Flexibility
Qualifying Services**

Trunking Services Basket*

Voice Grade
DS1
DS3
CCS/SS7 Interconnection Service

*Includes entrance facilities, direct-trunked transport, the flat-rated portion of tandem-switched transport, and the optional features and functions associated with these services.

Special Access Services Basket**

Voice Grade
Program Audio
Video
Digital Data
Frame Relay Service
DS1
DS3
OC-Service
Shared SONET Service

**Includes channel terminations between the end office and the customer premises, channel terminations between the IXC POP and the serving wire center, channel mileage, and optional features and functions associated with these services.

CERTIFICATION

I hereby certify that on this 27th day of November, 2007, pursuant to § 1.774(e)(1)(ii) of the Commission's Rules, that Cincinnati Bell Telephone Company LLC served each party upon which it relies to meet its obligations under Rule 1.774(a)(3)(iii), with the information that it provided about that party in this Petition (shown in the unredacted version of Attachments D and E). Cincinnati Bell Telephone Company LLC also served a copy of the foregoing Petition of Cincinnati Bell Telephone LLC for Pricing Flexibility for Special Access and Dedicated Transport Services and Channel Terminations and all redacted attachments to such parties by first class mail, postage prepaid, to the parties listed below. Cover letters evidencing these mailings are attached hereto.

Douglas E. Hart

[REDACTED]

[REDACTED]