

## DESCRIPTION & JUSTIFICATION

Cincinnati Bell Telephone (CBT) makes this filing to establish regulations for the provision of switched dedicated, and special access services in the Cincinnati, OH-KY-IN Metropolitan service Area (MSA) and the Hamilton-Middletown, Ohio MSA.

In Sections 69.709 and 69.711 of the Rules, the Commission established specific competitive thresholds for two graduated phases of Pricing Flexibility. CBT filed its petition for Phase I pricing flexibility for special access, dedicated transport services and end-user channel terminations, and Phase II pricing flexibility for POP channel terminations in the Cincinnati, Ohio-Kentucky-Indiana MSA, and Phase I Pricing Flexibility for special access, dedicated transport services and POP channel terminations in the Hamilton-Middletown, Ohio MSA on November 27, 2007.

The Commission granted CBT's Petition for Phase I and Phase II pricing flexibility for the provision of switched dedicated, and special access services in the Cincinnati, OH-KY-IN Metropolitan service Area (MSA) and the Hamilton-Middletown, Ohio MSA on March 13, 2008<sup>1</sup>. The special access, dedicated transport, and channel termination services for which CBT has been granted Phase I pricing flexibility are:

### Switched Access Service\*

Entrance Facilities  
Direct trunk transport  
Voice Grade

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<sup>1</sup> *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 for POP Channel Terminations in the Cincinnati, Ohio-Kentucky-Indiana Metropolitan Service Area, and Phase I Pricing Flexibility for Special Access, Dedicated Transport Services and POP Channel Terminations in the Hamilton-Middletown, Ohio Metropolitan Service Area, WCB/Pricing File No. 07-20, Order, (DA 08-567) released March 13, 2008.*

DS1  
DS3  
CCS/SS7 Interconnection Service

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

Special Access Service\*\*

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 mileage, and optional features and functions associated with these services.

The Commission granted CBT Phase II pricing flexibility in the Cincinnati, OH-KY-IN (MSA) for POP channel terminations for the following services:

Special Access Service

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

Exhibit 1 provides a comparison of CBT's SUM-1 revenues before and after the removal of Phase II pricing flexibility demand from price cap demand. Exhibit 2 provides a rate detail, by element, comparison for the special access basket before and the removal of Phase II pricing flexibility demand from price cap demand.

Tariff Review Plan (TRP) information reflecting the implementation of Phase II pricing flexibility in the Cincinnati, OH-KY-IN MSA is included in this filing. The updated TRP information reflects the removal of the base period demand for the Cincinnati, OH-KY-IN MSA POP channel terminations for which CBT was granted Phase II pricing flexibility in accordance with Part 69.727 of the Commission's Rules. As stipulated in Paragraphs 158 and 159 of the pricing Flexibility Order<sup>2</sup>, no adjustments were made to CBT's price cap indices as a result of the implementation of pricing flexibility. Form IND-1 shows that CBT's price cap indices remain the same as those filed on June 15, 2007 under Transmittal No. 818.

New services incorporated in the Cincinnati, OH-KY-IN MSA and the Hamilton-Middletown, Ohio MSA will be treated in the same manner as other services in the same basket for that MSA. In the first annual price cap filing following the year in which the new service was introduced, the demand for new services which have not been granted will be properly incorporated in the price cap basket indicated, while the demand for new services for which Phase II pricing flexibility has been granted will be excluded from price cap demand.

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<sup>2</sup> Access Charge reform, CC Docket No. 96-262, fifth Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 14221 (1999) at Paragraphs 158 and 159