

### **Section 3.4 New Service Information**

Bell Atlantic is projecting first-year revenue of \$4,881,053 based on the forecast demand for these services.

In compliance with the Commission's rules for pricing new services, Bell Atlantic has developed ratios of cost to investment and cost to rate, and they are shown on Charts 4b and 5b.

The services covered by this filing will be included in the Local Switching category of the Traffic Sensitive basket.

These services are not cross-elastic with any other switched access price cap service.

### **Section 4 LNP Costs**

This section describes, by LNP function, the dedicated LNP investment and expenses. No dedicated LNP costs were incurred for Signaling Transfer Points (STPs).

To provide number portability, carriers were required to buy new equipment. In addition to the purchase price of the equipment, and the costs of installation and maintenance, the Commission concluded that carriers may recover the other direct costs associated with it.<sup>1</sup> This includes depreciation, taxes, administration, return on investment, building modifications and power.<sup>2</sup>

Chart 1 contains a breakdown of the total LNP costs for each of these functional areas. Chart 4a and 5a show the portions of the total LNP costs allocated to the query and database services.

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<sup>1</sup> *Third Report and Order*, 13 FCC Rcd 11701, ¶ 74 (1998).

<sup>2</sup> The Commission has allowed carriers to recover these direct costs even where it has disallowed general overheads. *800 Data Base Access Tariffs and the 800 Service Management System Tariff*, 11 FCC Rcd 15227, 15256 n.117 (1996).