NEVADA BELL TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION
June 7, 2017
TRANSMITTAL NO. 300

PURPOSE

Pursuant the Federal Communications Commission's (FCC's) Report and Order and Further Order of Proposed Rulemaking (*USF/ICC Order*), FCC No. 11-161 released November 18, 2011, price cap carriers are required to bifurcate their terminating tandem rate elements to reflect traffic terminating to the Telephone Companies own end office and traffic terminating to non-Telephone Company 3rd party locations based on call recordings. In discussions between the Price Cap Industry and the FCC following transitional rules for the treatment of tandem traffic were developed:

- Traffic Terminating from a Price Cap ILEC-owned Tandem to its own or any other Price Cap ILEC End Office owned by the same Holding Company, will be considered "Tandem-to-End Office" that will transition to $0.0007 (July 2017).
- All other Tandem Traffic that traverses an ILEC-owned tandem and does not terminate to an end user served by the ILEC End Office will be considered "Tandem-to- 3rd Parties," and will continued to be billed at the current Interstate rates. This includes traffic that terminates from a Price Cap ILEC-owned tandem to an affiliated CLEC or wireless end office.
- Terminating traffic switched through a Tandem to an End Office to a Host and then to a Remote that are all owned by the same Price Cap LEC, should be billed at the transitional rates – (Tandem to End office).
- For terminating traffic delivered to a Host Office through a direct trunk transport then to a Remote where the Price Cap LEC owns the Host/Remote facilities, the rate depends on whether or not the Tandem within the study area (Homing Tandem) is owned by the Price Cap LEC.
    - Terminating Traffic delivered to a Host Office through a direct trunk transport then to a Remote where the Price Cap LEC owns the Host/Remote facilities and the Price Cap LEC also owns the Homing Tandem within the study area, should be billed at the transitional rates – (Tandem to End office). (The reasoning for using the transitional rates is because the opportunity exists for the terminating traffic to be switched through the Tandem owned by the Price Cap LEC and be billed at transitional rates).

With this filing, Nevada Bell Telephone Company (NBTC) is restructuring its tandem transport and host remote rate elements to comply with the above rules.

DESCRIPTION

Currently, NBTC's Tariff FCC No. 1 has a single set of rate elements that apply to all terminating tandem traffic and they are Tandem-Switched Transmission/Common Transport per access minute, per access minute of use per mile, and terminating Host Remote. NBTC will split that single set into two sets – one set of rate elements for terminating tandem traffic that traverses the Telephone Company's own Tandem and terminates to the Telephone Company's own end office ("Tandem to End Office"); the second set of rate elements for terminating tandem traffic that traverses the Telephone Company's own Tandem and terminates to non-Telephone Company 3rd party locations ("Tandem to 3rd Party"). The splitting of the tandem rate elements is administrative in nature. The existing tandem rates are not changing with this filing.

This filing is being made on a 15-days' notice.