

Cincinnati Bell Telephone LLC

Tariff FCC No. 35

2017 Business Data Services Tariff Review Plan Filing

Transmittal No. 912

November 16, 2017

Description & Justification

A. Background

This filing represents Cincinnati Bell Telephone Company's (CBT's) December 1, 2017 Business Data Services (BDS) Tariff Review Plan (TRP) Filing.

This filing is being made in compliance with the following:

- * First Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, FCC 97-158, released May 16, 1997;
- * Fourth Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, FCC 97-159, released May 21, 1997;
- * Memorandum Order and Opinion, *In the Matter of Access Charge Reform*, CC Docket No. 97-250, FCC 98-106, released June 1, 1998;
- * 47 C.F.R. § 61.38 and § 61.41 through § 61.49; and 47 C.F.R., Part 61, generally.

Herein referred to collectively as the "Price Cap Rules".

- * Sixth Report And Order in CC Docket 96-262 And 94-1, Report and Order in CC Docket 99-249, Eleventh Report And Order in CC Docket 96-45.

Herein referred to as the "CALLS Order"

- * Report and Order, *In the Matter of Business Data Services in an Internet Protocol Environment*, WC Docket No. 16-143, *Technology Transitions* GN Docket No. 13-5, *Special Access for Price Cap Local Exchange Carriers* WC Docket No. 05-25, *AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, RM-10593, DA 17-43, Released April 28, 2017 (BDS Order);

- * Order, *In the Matter of Business Data Services in an Internet Protocol Environment*, WC Docket No. 16-143, *Technology Transitions* GN Docket No. 13-5, *Special Access for Price Cap Local Exchange Carriers* WC Docket No. 05-25, *AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, RM-10593, DA 17-1009, released October 13, 2017.

CBT makes this filing pursuant to the Commission's BDS Order (DA 17-43).

The Commission, in its Order (DA 17-1009) established an effective date of

December 1, 2017 for the BDS Order filing.

PCI Development

CBT calculated its Price Cap Indices ("PCI") for the Common Line and Special Access baskets in accordance with the CALLS Price Cap Rules. See TRP Form PCI-1.

1. Productivity Factor

The Commission's CALLS Order changes the Productivity Factor, or X-factor, to a transitional mechanism to lower rates for a specified period for special access. Per the BDS Order, and as noted in the Commission's Order, DA 17-1009, the X-factor is set to 2.0 percent for the deemed non-competitive services remaining in the Special Access basket.

Pricing Bands

CBT calculated its applicable upper pricing bands in accordance with the Price Cap Rules. See TRP Form IND-1.

API and SBI Development

CBT calculated the applicable APIs and SBIs in accordance with the Price Cap Rules. CBT's APIs do not exceed the applicable PCIs and its SBIs are within the applicable upper pricing bands. See TRP Form IND-1

Competitive Counties

The Commission released its Public Notice, *Wireline Competition Bureau Publicly Releases Lists of Counties Where Lower Speed TDM-Based Business data Services Are Deemed Competitive, Non-Competitive, or Grandfathered* DA 17-463 on May 15, 2017. The Public Notice contained a link to the Commission's website where the list of competitive and non-competitive counties was available.

The Commission's list reflected two counties within CBT's Kentucky territory that were deemed non-competitive. The remainder of CBT's area was deemed competitive.

Special Access Demand Development

CBT's two non-competitive counties each have two wire centers fully contained within their respective counties. The wire center boundaries line up exactly with the boundaries of CBT's non-competitive counties. CBT's BDS non-competitive demand is obtained from CBT's Carrier Access Billing System (CABS). Per the BDS Order, the time-period for the demand in this filing is the same as was used in the June 16, 2017 Annual Access filing. The non-competitive recurring demand is obtained as a count of in-service quantities. CBT examined individual circuit types and addresses to verify that the included demand met the BDS non-competitive criteria for inclusion in the non-competitive demand data. CBT does not have wireless backhaul demand with speeds of DS3 or below in its non-competitive counties.

API and SBI Calculations

The Special Access API is calculated as proposed revenue (base period demand times proposed rates), divided by current revenue (base period demand times current rates), times the existing API per Part 61.46 of the Commission's Rules. See TRP Form IND-1.

SBIs for each Special Access service category are calculated as proposed revenue of each category, divided by current revenue of each category, multiplied by the existing SBI of each service category. Base Period demand, current rates and proposed rates are displayed on Exhibit RDET.

Tariff Changes for Non-Competitive Services

CBT proposes to establish a new tariff section within its FCC No. 35 Section 7 – Special Access, for rate elements applicable to the counties and services deemed Non-Competitive in the BDS Order. This new section is 7.5.15 – Non-Competitive End User Channel Termination Rates.