

2019 Cincinnati Bell Telephone Company  
PRICE CAP REVISIONS

2019 Hawaiian Telecom and Cincinnati Bell Telephone Combined  
INTERCARRIER COMPENSATION

2019 Cincinnati Bell Telephone Company  
Annual Tariff Review Plan Filing

June 17, 2019

## Description & Justification

### Introduction

#### A. Background

This filing represents Cincinnati Bell Telephone Company's (CBT's) Annual 2019 Tariff Review Plan (TRP) filing as well as the combined Cincinnati Bell Telephone /Hawaiian Telecom support data and to the filings required by the *USF/ICC Transformation Order*<sup>1</sup> to develop its Access Recovery Charges.

This filing is being made in compliance with the following:

- \* Second Report and Order, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, released October 4, 1990 (LEC Price Cap Order);
- \* Order on Reconsideration, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, released April 17, 1991 (Recon. Order);
- \* First Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released April 7, 1995;

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<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (November 18, 2011).

- \* Report and Order, *In the Matter of Price Cap Regulation of Local Exchange Carriers, Rate-of-Return Sharing and Lower Formula Adjustment*, CC Docket No. 93-179, released April 14, 1995;
- \* Third Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, FCC 96-488, released December 24, 1996;
- \* Report and Order, *In the Matter of Implementation of Section 402(b)(1) (A) of the Telecommunications Act of 1996*, CC Docket No. 96-187, FCC 97-23, released January 31, 1997;
- \* 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 And Further Notice Of Proposed Rulemaking FCC 11-161, WC Docket 10-90, GN Docket 09-51, WC Docket 07-135, WC Docket 05-337, CC Docket 01-92 CC Docket 96-45 WC Docket 03-109, WT Docket 10-208, released November 18, 2011.

Herein referred to as the "USF/ICC Transformation 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.

Herein referred to as the "BDS Order".

\* Order, *In the Matter of July 1, 2019 Annual Access Charge Tariff Filings* DA 19-246, released April 4, 2019.

In this filing, CBT files its Special Access and Common Line Annual Access Filing. On July 2, 2018, CBT acquired Hawaiian Telcom. Therefore, CBT also provides combined Cincinnati Bell Telephone (CBT)/Hawaiian Telecom support data and to the filings required by the *USF/ICC Transformation Order*<sup>2</sup> to develop its Access Recovery Charges. Section A addresses CBT's annual access tariff filing, and Section B addresses its filings pursuant to the *USF/ICC Transformation Order*.

The Commission, in its Order (DA 19-246) established an effective date of July 2, 2019 for the USF/ICC Transformation and Special Access Annual Access Filings.

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<sup>2</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (November 18, 2011).

## SECTION A

### Special Access and Common Line

#### 1.0 INTRODUCTION

Cincinnati Bell Telephone hereby submits its Tariff Review Plans (TRP) and the necessary support data as required by the Commission and in compliance with Sections 61.41 through 61.49 of the Commission's Rules.

This filing reflects the effects of the exogenous cost adjustments related to Telecommunications Relay Service ("TRS"), Regulatory Fee Obligations, and North American Numbering Plan Administration ("NANPA"). The exogenous cost methodology used in this filing has not changed from that used last year. However, while the methodology continues to reflect the exclusion of advanced services, it also reflects the exclusion of Special Access Services in compliance with the FCC's *Business Data Service Order*<sup>3</sup> for those services that are no longer subject to Section 203 of the Communications Act.

#### 2.0 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.

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<sup>3</sup> See *Report and Order, Business Data Services in an Internet Protocol Environment; Technology Transitions; Special Access for Price Cap Local Exchange Carriers; AT&T Petition for Rulemaking To Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access*, WC Docket Nos. 16-143, 05-25, GM Docket No. 13-5 and RM-10593; FCC 17-43 (Adopted April 20, 2017, and rel. April 28, 2017) ("BDS Order")

## **2.1 GDP-PI**

In accordance with paragraph 183 of the CALLS Order, the Bureau of Economic Analysis' (BEA's) chain-weighted GDP-PI is being used in this filing. CBT uses a GDP-PI of 2.114 percent in this TRP filing.

## **2.2 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 minus the inflation rate for the deemed non-competitive services remaining in the Special Access basket.

## **2.3 Index Changes**

As directed by the Commission, a workpaper identifying the transmittal or letter filing date where the last index changes were implemented for the price cap categories has been included. See Exhibit IND-TM.

## **3.0 Payphone Line Counts**

The Commission exempted payphone lines from Presubscribed Interexchange Carrier Charges (PICC) in its Order On Reconsideration, FCC 03-139, released June 25, 2003. Accordingly, CBT has removed its payphone lines from the PICC Multi-line Business line counts. CBT no longer has a PICC charge therefore there is no revenue impact of the payphone line removal.

## **4.0 Exogenous Costs**

In accordance with the Commission's Rules, CBT developed certain exogenous cost changes for inclusion in the price cap formula. These changes include: (1) Regulatory Fees; (2) Telecommunications Relay Support; (3) North American Number Plan Administration.

Exogenous cost changes were individually developed for each of the items outlined above, and in aggregate for all changes. CBT has adjusted the exogenous amounts to reflect any shift in revenue growth. The result is that no exogenous adjustment is made if the support rate has not changed. A brief description follows and a summary of the exogenous changes is shown in exhibit EXG-ALLOCATE.

### **4.1 Development of Regulatory Fees**

On May 22, 2018, the Commission released its Notice of Proposed Rulemaking in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*. This NPRM proposed the Regulatory Fee factor of 0.00276. CBT's calculated its 2018 Regulatory Fees exogenous adjustment by multiplying the 0.00276 factor by the 2017 end-user revenue from FCC Form 499A. On August 29, 2018, the Commission released its Report and Order in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*. This Order specified the Regulatory Fee factor of 0.00291. CBT filed a Mid-Year Tariff Review

Plan, Transmittal No. 916 to reflect the revised TRS factor. The current 0.00291 factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2019 Regulatory Fees exogenous adjustment. See Exhibit EXG-ALLOCATE.

#### **4.2 Development of Telecom Relay Support (TRS)**

On May 14, 2018, the Commission released its Public Notice *Rolka Loube Associates Submits Payment Formulas And Funding Requirement For The Interstate Telecommunications Relay Services Fund For The 2018-2019 Fund Year*. This Public Notice proposed a TRS Factor of 0.03034.

This factor was used in CBT's 2018 Annual Access Filing. On June 29, 2018, the Commission released its Order *In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*. This Order proposed a TRS Factor of 0.02801 which was lower than the May 14, 2018 Public Notice. CBT filed a Mid-Year Tariff Review Plan, Transmittal No. 916 to reflect the revised TRS factor. CBT's 2019 TRS exogenous calculation reflects removing the impact of the change of the factor from 0.03034 to 0.02801 as well as the multiplication of the current 0.02801 factor by the 2018 end-user revenue from FCC Form 499A to yield CBT's 2019 TRS exogenous adjustment. See Exhibit EXG-ALLOCATE.

#### **4.3 Development of North American Numbering Plan (NANP) Contribution**

The Commission released Public Notice CC Docket 92-237, DA 18-727 on July 13, 2018. This Public Notice proposed a NANP factor of 0.0000427 for the period from October 2018 through September 2019. This factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2018 NANP exogenous adjustment. CBT's 2019 NANP exogenous calculation reflects the multiplication of the current 0.0000427 factor by the 2018 end-user revenue from FCC Form 499A to yield CBT's 2019 NANP exogenous adjustment. See Exhibit EXG-ALLOCATE.

#### **5.0 Pricing Bands**

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

#### **6.0 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.

#### **7.0 Common Line**

##### **7.1 CALLS Impact on Common Line Charges**

The CALLS Order combines the Carrier Common Line (CCL), End-user Common Line (EUCL - also known as the SLC), and PICC

charges into a single charge for residence and single-line business customers.

#### **7.1.1. End-User Common Line Development**

The CALLS Order set the EUCL ceiling for residence and single-line business lines to \$6.50 beginning in July, 2003. However, Price Cap companies are limited to a residence and single-line business EUCL equal to the Common Line, Marketing, and Transport revenue per line, if that revenue per line is less than the \$6.50 ceiling. To compute the EUCL rates, CBT developed line demand and MOU demand quantities based on the year 2018 demand levels. Following the CALLS Order, CBT then calculated its proposed Common Line, Marketing and Transport (CMT) revenue per line. The CMT revenue per line of \$5.40 is less than the \$6.50 residence and single-line business EUCL ceiling.

Therefore, in accordance with Part 69.152(e)(1) and Part 69.152(k)(1) of the Commission's Rules, as well as the change in CBT's USF support, CBT's calculated EUCL rates are \$5.38 for Residence and Single-line business, \$5.38 for Non-primary Residence and ISDN-BRI, and \$5.38 for Multi-line Business, ISDN-PRI and Centrex. See TRP Form CAP-1.

### **7.1.2. IAS Support Calculation.**

Line 185 of the RTE-1 Form shows CBT's USAC Receipts.

Pursuant to Industry discussions with Commission staff, CBT determined the amount included in Line 185, Columns E, F and G as follows;

In CBT's 2012 Annual Access Filing (Transmittal No. 870) CBT's frozen IAS support amount of \$166,476 was used to compute its revenue per line of \$0.02443748.

For the current Annual Access Filing, CBT multiplied the revenues per line from Transmittal No. 870 of \$0.02443748 by the lines from the current Annual Filing to yield USAC Revenues of \$90,545. This amount is reflected in the RTE-Form, Line 185 of the current filing. See TRP Form IAS-CALC.

## **8.0 Special Access Basket**

The CALLS Order created a Special Access Basket containing Voice Grade, WATS, Metallic, Telegraph, Audio, Video, High Cap, DDS and Wideband services. Per the BDS Order, the X-factor is set to 2.0 percent minus the inflation rate for the deemed non-competitive services remaining in the Special Access basket.

## **8.1 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.

## **8.2 Base Period Demand**

CBT's Special Access recurring demand is obtained from CBT's Carrier Access Billing System (CABS). Recurring demand is obtained as a count of in-service quantities.

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). 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.

## **9.0 SBI Limits**

As illustrated on TRP Form IND-1, CBT is in compliance with all SBI requirements.

## **10.0. 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.

## **11.0 Revenue Summary**

CBT compared the current and proposed revenues in the Common Line Basket and the Special Access Basket. CBT calculated the difference in total revenues and the percentage difference in revenues for sub-categories in the Common Line Basket and the Special Access Basket. CBT also compared the RDET sub-category totals to Form SUM-1 totals. See TRP Form SUM-1

## **12.0 Excluded Services**

Consistent with the requirements of the Paragraph 28 of the TRP Notice, CBT has provided a list of services that are tariffed, but are excluded from Price Caps. See Exhibit OUTPC-1. Also pursuant to paragraph 28, CBT is not listing the services that are not subject to Price cap regulation pursuant to the USF/ICC Transformation Order (BDS ORDER).

### **13.0 New Services**

CBT has included a listing of new services introduced in 2018. See Exhibit CBT-NEW.

## SECTION B

### **2019 Hawaiian Telecom and Cincinnati Bell Telephone Combined INTERCARRIER COMPENSATION**

**2.0** The Commission requires CBT and Hawaiian Telcom to compute the revenue impacts of the access rate and reciprocal compensation reductions to determine the amount of recoverable Eligible Revenue. The Eligible Revenue is distributed between residential, single line business and multi-line business demand to derive the respective ARC rates. The resulting ARC rates are validated to ensure compliance to the implementation and ceiling requirements defined in Section 51.915(b)-(e) of the Commission's Rules. CBT and Hawaiian Telecom will assess an Access Recovery Charge (ARC) to their customers as defined and allowed in the USF/ICC Transformation Order. Below is a description of CBT's and Hawaiian Telcom's ARC development. CBT and Hawaiian Telcom will not be participating in the Connect America Fund (CAF) distributions.

#### **2.1 ACCREDITED TRP Form**

The Commission in its Order, *In the Matter of Material to be Filed in Support of 2019 Annual Access Tariff Filing*, DA 19-313 eliminated the Access Reduction spreadsheets because the adjustment to bill-and-keep as required by section 51.907(h) of the Commission's rules is complete.

## **2.2 RCCMRSTRP Forms**

The Commission in its Order, *In the Matter of Material to be Filed in Support of 2019 Annual Access Tariff Filing*, DA 19-313 eliminated the Reciprocal Compensation spreadsheets because the adjustment to bill-and-keep as required by section 51.705(c)(4) of the Commission's rules is complete .

## **2.3 ELIGIBLE REVENUE (ERTRP) Form**

The Eligible Revenue spreadsheet shows the calculations necessary to derive the eligible revenue recoverable through the tariffed ARC rates. The FCC spreadsheet template provides the methodology for calculating the eligible revenue. This worksheet shows the eligible Access Reduction, net non-CMRS Reciprocal Compensation, and net CMRS Reciprocal Compensation revenue. A Traffic Demand Factor of 43.05% (equal to 90% of last year's 47.83% factor)<sup>4</sup> and the 90% CALLS Study Area Base Factor<sup>5</sup> are applied to the above revenues, and the True-Up revenues are added to derive the recoverable eligible revenue. This spreadsheet demonstrates the calculations necessary to determine eligible revenue to comply with section 51.915(e) of the Commission's Rules.

## **2.4 ARC-No CAF- 1TRP ARC-No CAF- 2TRP and ARC-No CAF-32TRP Forms**

The ARC No CAF-1 TRP Form displays line count data by exchange within the Ohio, Kentucky and Hawaiian Telcom study areas. Development of the line count data is discussed below. For 1FR, non-primary lines, ISDN-BRI

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<sup>4</sup> See 47 C.F.R. §§ 51.915(b)(10).

<sup>5</sup> See 47 C.F.R. §§ 51.915(b)(2).

and single line business, the data sheet lists the applicable basic rates, federal Subscriber Line Charge (SLC), the previous year's ARC rate and state charges including state SLC, zone charges, Telecommunication Relay Service (TRS), E-911, Extended Area Service (EAS), and state Universal Service Fund (USF) charges for each exchange. The ARC No CAF-1 TRP data is combined with eligible revenue recovery data for use in the ARC No CAF-2 TRP form to compute maximum eligible ARC and CAF revenue recovery. CBT and Hawaiian Telcom each assess an Access Recovery Charge (ARC) to their customers as defined and allowed in the USF/ICC Transformation Order. The ARC No CAF-3TRP Form compares the Eligible Recovery Revenue to the Maximum ARC Revenues. In their 2012 Annual Access/ICC filings, CBT and Hawaiian Telcom stated that they will not be participating in the Connect America Fund (CAF) distributions.

## **2.5 ARCRTRP Forms**

The ARCRTRP forms show the development of the ARC caps by line type and the tariffed ARC rates by line type. The ARCTR-No CAF-2 Form distributes actual ARC recovery between Residence, non-MLB lines and MLB lines based on the line weighting methodology prescribed in the USF/ICC Transformation Order.

### **2.5.1 ARCRCTR-No CAF-1 Form**

The ARCRCTR-No CAF 1 Form contains line count data by exchange within the Ohio and Kentucky and Hawaii study areas. For 1FR, non-primary lines, ISDN-BRI and single line business, the data sheet lists the applicable basic rates, federal Subscriber Line Charge (SLC), prior year ARC and state charges including state SLC, zone charges, Telecommunication Relay Service (TRS), E-911, Extended Area Service (EAS), and state Universal Service Fund (USF) charges for each exchange. The rates are summed for use in the ARCRCTR form for comparison of maximum and tariffed ARC.

### **2.5.2 ARCRCTR-No CAF-2 Form**

The ARCTR No CAF-2 uses the line count data and rate data from the ARCTR-No CAF-1 forms to compute the CBT's maximum ARC revenue recovery opportunity based on the ARC rate ceilings prescribed in the USF/ICC Transformation Order. The form also displays actual ARC revenues eligible for recovery from the ERTRP Form. The data is displayed by study area and also summarized at a total company level. The maximum ARC recovery assumes that the maximum ARC rates are charged for all SLB lines, all MLB lines, and Residential lines for exchanges in which the total 1FR rates are less than the \$30 per month cap prescribed in the USF/ICC Transformation Order. The form compares ARC actual recovery, based on the tariffed ARC, to the total eligible ARC recovery to ensure that recovered ARC revenues do not exceed

eligible ARC revenues.

## **2.6 LINE COUNT DEVELOPMENT**

### **2.6.1 CBT**

CBT analyzed the line count change from total year 2011 to total year 2018 by line type and by End Office (EO). CBT used a straight-line forecast based on the changes from total year 2011 to total year 2018 by end office and by line-type to forecast line counts for the July, 2019 through June, 2020 period. CBT used December, 2018 annualized line count data by line type, by end office as a beginning point for forecasting lines for the July, 2019 through June, 2020 period.

First, CBT applied one-half the annual forecasted change to the annualized December 2018 lines to account for the January 2019 – June 2019 period. CBT then applied the total year forecasted change to the line counts forecasted as of June 2019 to determine forecasted lines for the July 2019 to June, 2020 period. CBT applied the following equation to the annualized December 2018 lines by line type and EO:

$$\text{December 2018 Annualized lines} + (\text{annual forecasted change} \times .5) + \text{annual forecasted change} = \text{July 2019 through June 2020 Forecasted lines.}$$

The July 2019 to June 2020 forecasted line counts were then summarized by exchange and line type for input into the ARCRCTRTP – No CAF-1 and ARC No-CAF study area forms.

## **2.6.2 Hawaiian Telcom**

Hawaiian Telcom developed a 12-month annual line count forecast by analyzing the Access line count change from total year 2014 to total year 2015, total year 2015 to total year 2016, total year 2016 to total year 2017, and total year 2017 to total year 2018 by line type, and by central office. Hawaiian Telcom developed a straight-line forecast change rate, by line type, and by central office. A similar analysis was completed for residential lifeline access lines, by central office. Hawaiian Telcom used the December 2018 annualized line counts, by line type, by central office as the beginning point for developing the line forecast used in this filing. The straight-line change rate was applied to the December 2018 annualized line counts to develop the access line demand counts for the July 2019 through June 2020 period. The resulting forecast lines were reduced by the forecast residential lifeline access lines, by central office.

## **2.7 ICC-SUM-1 Form**

The ICC-SUM-1 form provides a comparison between the 2018 ICC filing and the current 2019 ICC filing by study area for the following recoverable revenues: access reductions, net reciprocal compensation revenues, net CMRS revenues, eligible recovery revenues and maximum ARC revenues. The ICC-SUM-1 form also provides a comparison of eligible ARC lines between the 2018 ICC filing and the current 2019 ICC filing by study area for residence, single line business, and multi-line business. The ICC-SUM-1 form also includes ARC True-up revenues for the year beginning July 1, 2017

## 2.8 ARC-TUP Form

The Commission's Rules in 47 C.F.R 51.915(d)(1)(iv) (F) requires that ILECs compute Access Recovery Charges less Expected Revenues for Access Recovery charges for the year beginning July 1, 2012 (True-up amount). The ARC-TUP form shows the calculation of the difference in Expected ARC Revenues and Actual ARC revenues for the year beginning July 1, 2017. Actual line counts for the period are multiplied by the ARC rate for that period by exchange and by line type (RES/Non-Primary Residential/BRI, Single Line Business, and Multiline Business). These revenues are compared to the Expected ARC Revenues for the period based on the same Exchanges and line types. The difference in this calculation is the True-up amount that is included on the ERTRP (eligible Recovery) Form as part of the current year Eligible Recovery calculation.

## 2.9 Attachments

<b>CBTCAR_19_Confidential</b>	ARC-1 TRP and ARC-2 TRP Forms
<b>CBTCAR_19_Public Redacted</b>	ARC-1 TRP and ARC-2 TRP Forms
<b>CBTCER_19</b>	ERTRP Form
<b>CBTCSUM_19_Confidential</b>	ICC-SUM-1 form
<b>CBTCSUM_19_Public Redacted</b>	ICC-SUM-1 form
<b>CBTCTRC_19 Confidential</b>	ARCRCTRTP Forms
<b>CBTCTRC_19_Public Redacted</b>	ARCRCTRTP Forms
<b>CBTCTU_19_Confidential</b>	ARC-TUP Form
<b>CBTCTU_19_Public Redacted</b>	ARC-TUP Form

## Universal Service Fund

CBT proposes to revise the Universal Service Fund (USF) factor per Commission Order. The Commission released its *Proposed Third Quarter 2019 Universal Service Contribution Factor*, DA 19-559 on June 12, 2019. The Commission proposed a USF factor of 24.4 %, up from the previous factor of 18.8%. CBT recovers its USF contribution, pursuant to the Commission's Contribution Methodology Order<sup>6</sup> by applying the relevant USF Contribution factor to the following charges:

- \* EUCL
- \* Presubscribed Interexchange Carrier (PIC) change charge
- \* End-User Special Access
- \* Interstate IntraLATA Toll usage

The USF surcharge for these services is reflected as a separate line item, clearly identified on the customer's bill.

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<sup>6</sup> *Report and Order and Second Further Notice of Proposed Rulemaking in CC Docket No. 96-45, CC Docket No. 98-171, CC Docket No. 90-571, CC Docket No. 92-237, CC Docket No. 99-200, CC Docket No. 95-116, and CC Docket No. 98-179, FCC 02-329, Released December 13, 2002.*

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 Transmittal Number: 923  
 June 17, 2019 Annual Access TRP Filing  
 Page 1 of 2

Price Cap Tariff Review Plan

IND-TM

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	6/30/18 PCI (I)	6/30/18 SBI (J)
<b>Special Access Basket</b>					
720 VGAWATS, Met, Tgh - Special	N/A	N/A	916	N/A	916
721 VG Spec Density Zone 1	N/A	N/A	0	N/A	0
722 VG Spec Density Zone 2	N/A	N/A	0	N/A	0
723 VG Spec Density Zone 3	N/A	N/A	0	N/A	0
724 VG Spec Density Zone 4	N/A	N/A	0	N/A	0
725 VG Spec Density Zone 5	N/A	N/A	0	N/A	0
726 VG Spec Density Zone 6	N/A	N/A	0	N/A	0
727 VG Spec Density Zone 7	N/A	N/A	0	N/A	0
730 Audio & Video	N/A	N/A	916	N/A	916
731 Audio/Video Density Zone 1	N/A	N/A	0	N/A	0
732 Audio/Video Density Zone 2	N/A	N/A	0	N/A	0
733 Audio/Video Density Zone 3	N/A	N/A	0	N/A	0
734 Audio/Video Density Zone 4	N/A	N/A	0	N/A	0
735 Audio/Video Density Zone 5	N/A	N/A	0	N/A	0
736 Audio/Video Density Zone 6	N/A	N/A	0	N/A	0
737 Audio/Video Density Zone 7	N/A	N/A	0	N/A	0
740 High Cap & DDS - Special	N/A	N/A	916	N/A	916
750 DS-1 SubCat - Special	N/A	N/A	916	N/A	916
751 DS1 Spec Density Zone 1	N/A	N/A	0	N/A	0
752 DS1 Spec Density Zone 2	N/A	N/A	0	N/A	0
753 DS1 Spec Density Zone 3	N/A	N/A	0	N/A	0
754 DS1 Spec Density Zone 4	N/A	N/A	0	N/A	0
755 DS1 Spec Density Zone 5	N/A	N/A	0	N/A	0
756 DS1 Spec Density Zone 6	N/A	N/A	0	N/A	0
757 DS1 Spec Density Zone 7	N/A	N/A	0	N/A	0
760 DS-3 SubCat - Special	N/A	N/A	854	N/A	831
761 DS3 Spec Density Zone 1	N/A	N/A	0	N/A	0
762 DS3 Spec Density Zone 2	N/A	N/A	0	N/A	0
763 DS3 Spec Density Zone 3	N/A	N/A	0	N/A	0
764 DS3 Spec Density Zone 4	N/A	N/A	0	N/A	0
765 DS3 Spec Density Zone 5	N/A	N/A	0	N/A	0
766 DS3 Spec Density Zone 6	N/A	N/A	0	N/A	0
767 DS3 Spec Density Zone 7	N/A	N/A	0	N/A	0

Filing Date: 06/17/19  
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 Transmittal Number: 923  
 June 17, 2019 Annual Access TRP Filing  
 Page 2 of 2

Price Cap Tariff Review Plan

IND-TM

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	6/30/18 PCI (I)	6/30/18 SBI (J)
770 DDS&Other Sp Density Zone 1	N/A	N/A	0	N/A	0
771 DDS&Other Sp Density Zone 2	N/A	N/A	0	N/A	0
772 DDS&Other Sp Density Zone 3	N/A	N/A	0	N/A	0
773 DDS&Other Sp Density Zone 4	N/A	N/A	0	N/A	0
774 DDS&Other Sp Density Zone 5	N/A	N/A	0	N/A	0
775 DDS&Other Sp Density Zone 6	N/A	N/A	0	N/A	0
776 DDS&Other Sp Density Zone 7	N/A	N/A	0	N/A	0
790 Wideband	N/A	N/A	0	N/A	0
791 WB Density Zone 1	N/A	N/A	0	N/A	0
792 WB Density Zone 2	N/A	N/A	0	N/A	0
793 WB Density Zone 3	N/A	N/A	0	N/A	0
794 WB Density Zone 4	N/A	N/A	0	N/A	0
795 WB Density Zone 5	N/A	N/A	0	N/A	0
796 WB Density Zone 6	N/A	N/A	0	N/A	0
797 WB Density Zone 7	N/A	N/A	0	N/A	0
899 Total Special Access	916	916	N/A	916	N/A

June 17, 2019 Annual Price Cap Access Filing (CBTCAN19.XLS)  
Exogenous Cost Changes Detail

	2017 Annual				
	Total	Interstate	FCC DA 18-65	DA 18-494	DA 18-727
	End User Revenues	End User Revenues	5/22/2018	5/14/2018	7/13/2018
	(499A)	(499A)	Regulatory Fee	Telecom Relay	NANPA
(A)	(B)	(C) = B * 0.00276	(D) = B * 0.03034	(E) = A * 0.0000427	
Exogenous Amount	\$ 194,279,503	\$ 43,671,818	\$ 120,534	\$ 1,325,003	\$ 8,296
Excluded Revenue	\$ 17,692,148	\$ 17,692,148			
Price Cap Revenue Percentage	90.89%	59.49%			

	2018 Mid-Year Rate Changes		Difference	Annualization Reversal
	FCC DA 18-65	FCC DA 18-126		
	5/22/2018	8/29/2018		
	Regulatory Fee	Regulatory Fee		
(C') = B * 0.00276	(C') = B * 0.00291	(F) = (C') - (C)	(G) = (F') * 12 / 9	
Exogenous Amount	\$ 120,534	\$ 127,085	\$ 6,551	\$ 8,734

	2018 Mid-Year Rate Changes		Difference	Annualization Reversal
	DA 18-494	FCC DA 18-680		
	5/14/2018	6/29/2018		
	Telecom Relay	Telecom Relay		
(D) = B * 0.03034	(D') = B * 0.02801	(H) = (D') - (D)	(I) = (H) * 12 / 9	
Exogenous Amount	\$ 1,325,003	\$ 1,223,248	\$ (101,755)	\$ (135,674)

	2018 Annual				
	Total	Interstate	FCC DA 18-126	FCC DA 18-680	DA 18-727
	End User Revenues	End User Revenues	8/29/2018	6/29/2018	7/13/2018
	(499A)	(499A)	Regulatory Fee	Telecom Relay	NANPA
(A'')	(B'')	(C'') = B'' * 0.00291	(D'') = B'' * 0.02801	(E'') = A'' * 0.0000427	
Exogenous Amount	\$ 174,961,256	\$ 44,509,025	\$ 129,521	\$ 1,246,698	\$ 7,471
Excluded Revenue	\$ 20,227,484	\$ 20,227,484			
Price Cap Revenue Percentage	88.44%	54.55%			

	7/18 - 6/19	7/19 - 6/20	Exogenous
<u>Telecom Relay Support</u>			
DA 18-494 - 03034 Factor 2017 Revenue - D'	\$ 1,325,003		
FCC DA 18-680 - 0.02801 Factor 2017 Revenue - I	\$ (135,674)		
FCC DA 18-680 - 0.02801 Factor 2018 Revenue - D''		\$ 1,246,698	
	\$ 1,189,329	\$ 1,246,698	
% Price Cap Allocation	59.49%	54.55%	
Price Cap Only	\$ 707,513	\$ 680,126	
FCC 2017 Price Cap Interstate End User Revenue	25,979,670		
FCC 2018 Price Cap Interstate End User Revenue	24,281,542		
Revenue Change ( R)	-6.54%		
Price Cap Only with R Adj	\$ 661,267	\$ 680,126	\$ 18,859

	7/18 - 6/19	7/19 - 6/20	Exogenous
<u>Regulatory Fee Support:</u>			
FCC DA 18-65 - 0.00276 Factor 2017 Revenue - C'	\$ 120,534		
FCC DA 18-126 - 0.00291 Factor 2017 Revenue - G'	8,734		
FCC DA 18-126 - 0.00291 Factor 2018 Revenue - C''		\$ 129,521	
	129,269	129,521	

Filing Date: 06/17/2019  
 Filing Entity: CBTC - Cincinnati Bell Total  
 Transmittal Number: 923

June 17, 2019 Annual Price Cap Access Filing (CBTCAN19.XLS)

Exogenous Cost Changes Detail

% Price Cap Allocation		59.49%		54.55%	
Price Cap Only	\$	76,900	\$	70,659	
FCC 2017 Price Cap Interstate End User Revenue		25,979,670			
FCC 2018 Price Cap Interstate End User Revenue		24,281,542			
Revenue Change ( R)		-6.5%			
Price Cap Only with R Adj	\$	71,873	\$	70,659	\$ (1,214)

North American Numbering Plan Administration:

		<u>7/18 - 6/19</u>		<u>7/19 - 6/20</u>	<u>Exogenous</u>
DA 18-727 - 0.0000427 Factor 2017 Revenue - E'		8,296			
DA 18-727 - 0.0000427 Factor 2018 Revenue - E"				7,471	
		8,296		7,471	
% Price Cap Allocation		90.89%		88.44%	
Price Cap Only	\$	7,540	\$	6,607	
FCC 2017 Price Cap Interstate End User Revenue		176,587,355			
FCC 2018 Price Cap Interstate End User Revenue		154,733,772			
Revenue Change ( R)		-12.38%			
Price Cap Only with R Adj	\$	6,607	\$	6,607	\$ -

Filing Date: 06/17/2019  
 Filing Entity: CBTC - Cincinnati Bell Total  
 Transmittal Number: 923

EXG-ALLOCATE

Page 3 of 3

June 17, 2019 Annual Price Cap Access Filing (CBTCAN19.XLS)  
Exogenous Cost Changes Detail

	<u>Common Line</u>	<u>Special</u>	<u>Excluded Revenues</u>	<u>Price Cap Revenue</u>
<b>499A 2018 Annual Interstate End User Revenues</b>	\$ 24,110,910	\$ 170,632	\$ -	\$ 24,281,542
<b>Allocation Basis</b>	99.30%	0.70%	0.00%	
<b>Telecom. Relay Support</b>	\$ 18,726	\$ 133	\$ -	\$ 18,859
<b>Regulatory Fee Support:</b>	\$ (1,206)	\$ (9)	\$ -	\$ (1,214)
<b>NANPA</b>	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 17,521	\$ 124	\$ -	\$ 17,645
<b>Allocation - See Attached Forms</b>	\$ -	\$ -	\$ -	\$ -
<b>ITC Amortization</b>	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Sub Total</b>	\$ -	\$ -	\$ -	\$ -
<b>Grand Total Exogenous</b>	\$ 17,521	\$ 124	\$ -	\$ 17,645

1 CBT's frozen IAS amount of \$166,476 was used to compute the revenue per line in its 2012 Annual Access Filing TM No. 870  
 Below are lines 180 and 185 from the RTE-1 Form from TM 870.

IAS Amount \$ 166,476  
 Lines 6,812,323  
 IAS per line amount 0.02443748

		BASE PERIOD	RATES AT LAST PCI	CURRENT	PROPOSED	BASE PERIOD DEMAND x RATES AT LAST	BASE PERIOD DEMAND x CURRENT	BASE PERIOD DEMAND x PROPOSED
<b>TM 870</b>								
<b>18-Jun-12</b>	180 Other Common Line	N/A	N/A	N/A	N/A	0	0	0
	185 USAC Receipts	6,812,323	0.02296954	0.02296954	0.02443748	156,476	156,476	166,476

2 CBT's TM 870 Annual Filing revenue per line of \$0.02443748 was multiplied by the lines from the current Annual Access Filing (TM 915)  
 to yield the IAS amount of \$99,850.  
 Below are lines 180 and 185 from the current RTE-1 Form in TM 909

IAS per line amount 0.02443748  
 Lines 3,705,176  
 IAS Amount \$ 90,545

		BASE PERIOD DEMAND	RATES AT LAST PCI UPDATE	CURRENT RATES	PROPOSED RATES	BASE PERIOD DEMAND x PCI UPDATE	BASE PERIOD DEMAND x RATES	BASE PERIOD DEMAND x RATES
<b>TM 923</b>								
<b>17-Jun-19</b>	180 Other Common Line	N/A	N/A	N/A	N/A	0	0	0
	185 USAC Receipts	3,705,176	0.02443748	0.02443748	0.02443748	90,545	90,545	90,545

IMP-ANALYSIS  
 Filing Entity:  
 Filing Date:  
 Transmittal No.:

CBTC - Cincinnati Bell Total  
 06/17/2019  
 923

0

TRP  
 June 17, 2019 Annual Price Cap Access Filing (CBTCAN19.XLS)  
 IMPACT ANALYSIS FOR INDUSTRY

Basket Description	Demand Times	Demand Times	Difference (C) = (B) - (A)	% Difference (D) = (C)/(A)	SUM-1	SUM-1	Difference (D1) = B - C1	
	Current Rate (A)	Proposed Rate (B)			BASE PERIOD DEMAND x RATES AT LAST PCI UPDATE (A1)	BASE PERIOD DEMAND x PROPOSED RATE (C1)		
<b>Common Line Basket</b>								
End User Common Line	\$20,807,551	\$20,825,071	\$17,521	0.08%	\$20,807,551	\$0	\$20,825,071	\$0
Common Line per MOU	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
PICC Common Line	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
Other Common Line	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
USAC IAS Support	\$90,545	\$90,545	\$0	0.00%	\$90,545	\$0	\$90,545	\$0
Total Common Line	\$20,898,096	\$20,915,616	\$17,521	0.08%	\$20,898,096	\$0	\$20,915,616	\$0
<b>Special Access Basket</b>								
VoiceGrade/WATS - NonDZ	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
Audio & Video - NonDZ	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
Total High Cap/DDS	\$21,771	\$21,771	\$0	0.00%	\$21,771	\$0	\$21,771	\$0
Total High Cap - DS1 - Special	\$21,771	\$21,771	\$0	0.00%				
High Cap - DS1 - SP - DZ1	\$0	\$0	\$0	0.00%				
High Cap - DS1 - SP - DZ2	\$0	\$0	\$0	0.00%				
High Cap - DS1 - SP - DZ3	\$0	\$0	\$0	0.00%				
High Cap - DS1 - SP - NonDZ	\$21,771	\$21,771	\$0	0.00%				
Total High Cap - DS3 - Special	\$0	\$0	\$0	0.00%				
High Cap - DS3 - SP - DZ1	\$0	\$0	\$0	0.00%				
High Cap - DS3 - SP - DZ2	\$0	\$0	\$0	0.00%				
High Cap - DS3 - SP - DZ3	\$0	\$0	\$0	0.00%				
High Cap - DS3 - SP - Non DZ	\$0	\$0	\$0	0.00%				
High Cap - Digital Data NonDZ	\$0	\$0	\$0	0.00%				
Total Special Access Basket	\$21,771	\$21,771	\$0	0.00%	\$21,771	\$0	\$21,771	\$0
<b>Grand Total (Common Line &amp; Special)</b>	<b>\$20,919,867</b>	<b>\$20,937,387</b>	<b>\$17,521</b>	<b>0.08%</b>	<b>\$20,919,867</b>	<b>\$0</b>	<b>\$20,937,387</b>	<b>\$0</b>

**SERVICES OUTSIDE OF PRICE CAP**

<b><u>Rate Element Detail</u></b>	<b><u>Tariff Section</u></b>
<b>Special Construction</b>	
<b>Special Construction</b>	<b>FCC #35 7.2</b>
<b>Collocation/Interconnection</b>	
<b>Physical Collocation</b>	<b>FCC #35 17.10.2</b>
<b>Virtual Collocation</b>	<b>FCC #35 17.11.1</b>
<b>Packet Services</b>	
<b>Ethernet Service</b>	<b>FCC #35 19.6</b>
<b>Ethernet Point-to-Point Service</b>	<b>FCC #35 24.4</b>
<b>Cincinnati Bell Ethernet Service Silver</b>	<b>FCC #35 26.7</b>
<b>End User Services</b>	
<b>End User USF End User Charge</b>	<b>FCC #35 4.10</b>
<b>Government Services</b>	
<b>Special Government Access Services –TSP &amp; GETS</b>	<b>FCC #35 10.8.2</b>
<b>Miscellaneous</b>	
<b>Special Facilities Routing of Access Services</b>	<b>FCC #35 11.2</b>

**CBT-NEW**

**2019 New Services**

CBT introduced the following new services in 2018:

<u>New Service</u>	<u>Transmittal</u>	<u>Basket</u>	<u>Category</u>
	NONE		