

Cincinnati Bell Telephone LLC

Tariff FCC No. 35

2020 Mid-Year Tariff Review Plan Filing

Transmittal No. 930

September 16, 2020

Description & Justification

Introduction

Cincinnati Bell Telephone Company (CBT) makes this mid-year 2020 Tariff Review Plan (TRP) Filing in order to reflect revised Regulatory Fees, North American Numbering Plan (NANP) and Telecommunication Relay Service (TRS) factors. Attachment RDET shows the current and proposed rate changes to adjust for the exogenous cost changes. This filing also revises the Federal Universal Service Fund contribution factor for fourth quarter 2020.

Regulatory Fees, TRS and NANP Exogenous Costs

Subsequent to CBT's 2020 Annual Access Filing the Commission released revised Regulatory Fees, TRS and NANP factors. The new factors caused changes to CBT's exogenous cost recovery calculations. A description of the Regulatory Fees, TRS and NANP exogenous costs changes follows.

A. Development of Regulatory Fees

On August 27, 2019, the Commission released its Report and Order in the *Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2019*, FCC 19-83. This NPRM proposed the Regulatory Fee factor of 0.00317. CBT calculated its 2020 Regulatory Fees exogenous adjustment by multiplying the 0.00317 factor by the 2019 end-user revenue from FCC Form 499A.

On August 31, 2020, the Commission released its Report and Order and Further Notice of Proposed Rulemaking in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2020*, FCC 20-120. This Order specified the Regulatory Fee factor of 0.00321. The current 0.00321 factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2020 Regulatory Fees exogenous adjustment. CBT computed the difference between the original and revised 2020 adjustments. See Exhibit EXG-ALLOCATE.

B. Development of Telecom Relay Support (TRS)

On June 28, 2019, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* DA 19-607.

This Order specified a TRS factor of 0.02779. This factor was multiplied by CBT's end-user interstate revenue from FCC Form 499A to yield CBT's 2020 revised exogenous cost adjustment.

On June 30, 2020, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 20-692. This Order defined and established two TRS factors: Non-IP CTS factor of 0.01360 and IP-CTS factor of 0.00962. The Order also specifies that the Non-IP-CTS factor should be applied to End-User revenues obtained from Interstate and International Telecommunications Services, while the IP-CTS factor should be applied to End-User revenues obtained from

Intrastate, Interstate and International Telecommunications Services. CBT calculated its 2020 TRS Exogenous adjustment by multiplying each factor to the specified 2019 End-User revenues from FCC Form 499A.

CBT computed the difference between the original and revised 2020 adjustments. CBT then grossed up the revised 2020 adjustment to recover the 12-month exogenous cost impact. See Exhibit EXG-ALLOCATE.

C. Development of North American Numbering Plan (NANP) Contribution

The Commission released Public Notice CC Docket 92-237, DA 19-810 on August 22, 2019. This Public Notice proposed a NANP factor of 0.0000908 for the period from October 2019 through September 2020. This factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2020 NANP exogenous adjustment. See Exhibit EXG-ALLOCATE.

On August 10, 2020, the Commission released Public Notice CC Docket 92-237, DA 20-856, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2020 through September 2021*. This Public Notice proposed a NANP factor of 0.0001267. CBT calculated its 2020 Regulatory Fees Exogenous adjustment by multiplying the 0.0001267 factor by the 2019 End-User revenue from FCC Form 499A. CBT computed the difference between the original and

revised 2020 adjustments. The resulting differential was included as the NANP exogenous cost.

Common Line

A. End-User Common Line Development

The CALLS Order increased 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.

As a result of the Regulatory Fees, NANP and TRS factor changes, CBT has recalculated its proposed Common Line, Marketing and Transport (CMT) revenue. The CMT revenue per line of \$5.81 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, CBT's calculated EUCL rates are \$5.81 for Residence and Single-line business, \$5.81 for Non-primary Residence and ISDN-BRI, and \$5.81 for Multi-line Business, ISDN-PRI and Centrex. See TRP Form CAP-1.

PCI Development

Based on the revised TRS and NANP factors, 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.

Universal Service Fund

CBT proposes to revise the Universal Service Fund (USF) factor per Commission Order. The Commission released its *Proposed Fourth Quarter 2020 Contribution Factor*, DA 20-1075 on September 14, 2020. The Commission proposed a USF factor of 27.1 % up from the previous factor of 26.5 %. CBT recovers its USF contribution, pursuant to the Commission's Contribution Methodology Order¹ 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.

¹ 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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September 16, 2020 Mid-Year Price Cap Access Filing (CBTCMID20.XLS)
Exogenous Cost Changes Detail

	2019 Annual		FCC DA 19-83	FCC DA 19-607	DA 19-810
	Total	Interstate	8/27/2019	6/28/2019	8/22/2019
	End User Revenues		Regulatory Fee	Telecom Relay	NANPA
	(499A)	(499A)	(C) = B * 0.00317	(D) = B * 0.02779	(E) = A * 0.0000908
	(A)	(B)			
Exogenous Amount	\$ 159,170,458	\$ 42,060,590	\$ 133,332	\$ 1,168,864	\$ 14,453
Excluded Revenue	\$ 19,273,642	\$ 19,273,642			
Price Cap Revenue Percentage	87.89%	54.18%			

	2019 Annual		FCC DA 20-120	FCC DA 20-692	FCC DA 20-692	DA 20-856
	Total	Interstate	8/31/2020	6/30/2020	6/30/2020	8/10/2020
	End User Revenues		Regulatory Fee	TRS Non-IP-CTS	TRS IP-CTS	NANPA
	(499A)	(499A)	(C') = B' * 0.00321	(D1') = B' * 0.01360	(D2') = A' * 0.00962	(E') = A' * 0.0001267
	(A')	(B')				
Exogenous Amount	\$ 159,170,458	\$ 42,060,590	\$ 135,014	\$ 572,024	\$ 1,531,220	\$ 20,167
Excluded Revenue	\$ 19,273,642	\$ 19,273,642				
Price Cap Revenue Percentage	87.89%	54.18%				

	10/19 - 9/20	10/20 - 9/21	Exogenous	Annualized
	(A'')	(B'')	(C'') = B'' - A''	(E'') = D'' * 12 / 9
Regulatory Fee Support:				
FCC DA 19-83 - 0.00317 Factor 2019 Revenue - C	\$ 133,332	\$ 135,014		
FCC DA 20-120 - 0.00321 Factor 2019 Revenue - C'	\$ 133,332	\$ 135,014		
% Price Cap Allocation	54.18%	54.18%		
Price Cap Exogenous Amount	\$ 72,235	\$ 73,146		911

	7/19 - 6/20	7/20 - 6/21	7/20 - 6/21	Exogenous	Annualized
	(A'')	(B'')	(C'')	(D'') = (B'' + C'') - A''	(E'') = D'' * 12 / 9
Telecommunications Relay Service Support					
FCC DA 19-607 - 0.02779 Factor 2019 Revenue - D1	\$ 1,168,864	\$ 572,024	\$ 1,531,220		
FCC DA 20-692 - 0.01360 Factor 2019 Revenue - D1'	\$ 1,168,864	\$ 572,024	\$ 1,531,220		
FCC DA 20-692 - 0.00962 Factor 2019 Revenue - D2'	\$ 1,168,864	\$ 572,024	\$ 1,531,220		
% Price Cap Allocation	54.18%	54.18%	87.89%		
Price Cap Exogenous Amount	\$ 633,249	\$ 309,902	\$ 1,345,807	1,022,461	1,363,281

	10/19 - 9/20	10/20 - 9/21	Exogenous
	(A'')	(B'')	(C'') = B'' - A''
North American Numbering Plan Administration:			
DA 19-810 - 0.0000908 Factor 2019 Revenue - E	\$ 14,453	\$ 20,167	
DA 20-856 - 0.0001267 Factor 2019 Revenue - E'	\$ 14,453	\$ 20,167	
% Price Cap Allocation	87.89%	87.89%	
Price Cap Exogenous Amount	\$ 12,703	\$ 17,725	5,022

	Common Line	Special	Price Cap Revenue
499A 2019 Interstate End User Revenues	\$ 22,666,015	\$ 120,933	\$ 22,786,948
Allocation Basis	99.47%	0.53%	
Regulatory Fee Support Exogenous	\$ 907	\$ 5	\$ 911
Telecom. Relay Support Exogenous	\$ 1,356,046	\$ 7,235	\$ 1,363,281
NANPA Exogenous	\$ 4,996	\$ 27	\$ 5,022
Total Exogenous	\$ 1,361,948	\$ 7,267	\$ 1,369,215