2021 Annual Access Filing, Intercarrier Compensation Compliance, and 8YY Access Charge Reform

June 16, 2021

Appendix A—2021 Annual Access Filing
Appendix B—Intercarrier Compensation Compliance
Appendix C—8YY Access Charge Reform

Appendix A: 2021 Annual Access Filing

Description and Justification

A1.0 INTRODUCTION

The Verizon Telephone Companies[1] hereby submit Long Form Tariff Review Plan (TRP) pages and the necessary supporting data in accordance with the 2021 Annual Access Tariff Filing Orders[2] and Sections 61.41 through 61.49 of the Commission's rules. Appendix A contains the documentation associated with the Verizon TRP under identifier "VZTC."

This filing removes the gross-up amount reflected in existing rates for the Telecommunications Relay Services (TRS) exogenous costs that were included in the October 2020 mid-year filing.

The total effect on indices in this filing is an overall decrease of $6,589,449, which reflects the TRS exogenous costs and the change in demand in the Common Line Basket.

A1.1 DESCRIPTION AND JUSTIFICATION

The Commission's Price Cap Plan employs a combination of caps on aggregates of service rates ("baskets") and maximum limits on prices in individual service categories ("bands").

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[1] The Verizon Telephone Companies include Verizon Delaware LLC, Verizon Maryland LLC, Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North LLC, Verizon Pennsylvania LLC, Verizon South Inc., Verizon Virginia LLC, and Verizon Washington, D.C. Inc.

[2] *In the Matter of Material to be Filed in Support of 2021 Annual Access Tariff Filings*, Order, WC Docket No. 21-148, DA 21-568 (May 14, 2021) ("May 14th Order"); *In the Matter of July 1, 2021 Annual Access Charge Tariff Filings*, Order WC Docket No. 21-148, DA 21-433 (April 16, 2021).

Under this Plan, Verizon's services subject to Price Cap regulation are grouped into three baskets:

(1) Common Line
(2) Special Access
(3) Interexchange (IX)

The Common Line basket includes CAP-1 adjustments for USAC Receipts. The Special Access basket is also subject to individual service-specific price bands. The Special Access basket contains four service bands:

(1) Voice Grade, Metallic, Telegraph, and WATS
(2) Program Audio and Video
(3) High-Cap/Digital Data Services (includes DDS, DS1 and DS3 as well as sub-indices for DS1 and DS3 rate zones)
(4) Wideband

For each basket of services, the Price Cap Plan places a ceiling on the aggregate revenue-weighted price changes.

Section 1.2 below describes the development of the exogenous cost adjustments. Section 1.3 describes the demand used in this filing. Section 1.4 describes ratemaking. Section 1.5 below contains an index of the supporting workpapers.

The Price Cap and service band constraints were compared to an index of the aggregate revenue-weighted price changes within each basket (the Actual Price Index, or API) and an index of the revenue-weighted aggregate price changes of the rate elements that comprise each service category (the Service Band Index, or SBI). These indices were determined with reference to actual 2020 base period demand, appropriately adjusted to reflect services, tariff structures, and rates to be effective as of July 1, 2021.

A1.2 EXOGENOUS COST CHANGES

This filing includes an exogenous cost adjustment to remove the effect of the TRS gross up amount from the October 1, 2020 mid-year filing. Exogenous cost adjustments for Regulatory Fees and NANPA will be reflected in rates that take effect October 1, 2021 as these fees are obligations covering a fiscal year that begins October 1, 2021.[3] Exogenous costs for Excess Deferred Taxes are zero as of the July 1, 2020 filing. The Price Cap portion of the above exogenous cost amount is ($6,932,961) and is summarized on *Workpaper 1*.

A1.2.1 ALLOCATION OF EXOGENOUS COST CHANGES TO PRICE CAP BASKETS

The exogenous costs are allocated to Common Line and Special Access as shown on *Workpaper 1*. The Common Line exogenous cost amount is ($6,745,046), and the Special Access exogenous cost amount is ($187,915), for a total of ($6,932,961).

A1.2.2 TELECOMMUNICATIONS RELAY SERVICE

In accordance with the Commission's May 14th Order, Verizon removed the gross-up amount reflected in existing rates for TRS that were included in the October 2020 mid-year filing, and treated these amounts as exogenous costs in this filing. This was done by 1) calculating the difference between the factors in effect at the October 2020 mid-year filing and those in effect as of last year's annual filing multiplied by the applicable Interstate 499A revenues used in last year's annual filing, and then grossing up this difference; 2) calculating the value of the new applicable Interstate 499A revenue times

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[3] May 14th Order, para. 29.

the current factors. The difference between 1 and 2 equals the exogenous costs of ($6,932,961) that have been reversed out in this year's filing. *Workpaper 2* displays the calculation and the allocation to the Price Cap Baskets. The TRS exogenous costs can be found in Tariff Review Plan (TRP), Form EXG-1.

1.2.3 FLOW THROUGH OF EXCESS DEFERRED TAXES

The 2020/2021 exogenous cost adjustment for Excess Deferred Taxes is zero. Verizon has included *Workpaper 3*, even though the values are zero. *See Workpaper 3*, Columns 1 and 2.

A1.3 DEMAND

A1.3.1 INTRODUCTION

Current rates and base period demand quantities were used to determine the base period revenues. The base period demand is for the year 2020 and was multiplied by rates at the last PCI update to determine the weighted revenue for each rate element. This weighted revenue was used in the development of the PCI, APIs, and SBIs.

A1.3.2 DATA SOURCES

Verizon's Carrier Access Billing System (CABS), Customer Records Information System (CRIS), Express Trak (ETRAK) and Company demand and revenue tracking systems served as the primary sources for demand data. These billing and tracking systems provide the demand data for each rate element for the Common Line, Special Access, and

Interexchange baskets. The 2020 base period demand has been used in this filing in accordance with the Commission's rules for development of API and SBI indices.[4]

A1.3.3 DEMAND RESULTS

Price Cap base period demand detail used in the calculations of the PCIs, APIs, and SBIs is contained in this filing. *See Workpaper VZTC Rate Detail.* There were no new Price Cap services introduced in the 2020 base period; therefore no demand is included in the Price Cap baskets pursuant to Section 61.42(g) of the Commission's rules.

A1.3.4 TREATMENT OF NEW SERVICES

Figures 3 and *4* indicate that no new price cap services were introduced.

A1.3.5 OUT PC-2

Verizon removed the following FCC 14 services from price cap: High Capacity Digital DS3 (44.736 Mbps) Facilities - 3-System and Unlimited System, as shown on *Workpaper OutPC-2.*

[4] *See* 47 C.F.R. §§ 61.46, 61.47.

A1.4 RATEMAKING

A1.4.1 ANNUAL FILING RATEMAKING

In this filing, Verizon is implementing rate changes in the Common Line basket. Verizon's new rate levels produce indices that are in full compliance with the Commission's rules.[5]

Overall, Verizon revenues subject to price caps decreased by $6,589,449 due to changes in exogenous costs and demand. The Common Line basket revenues decreased by $6,589,449.

The Interexchange basket revenues are zero. *See TRP Sum-1*.

Sections A1.4.2 through A1.4.4 following provide descriptions of the methodology and ratemaking calculations included in this filing. Rate changes in this filing are indicated by light green highlighting in the attached rate detail files.

A1.4.2 Common Line Basket

As shown in the TRP CAP-1, the Revenue for the Verizon Companies is capped at the CMT rate. *Figure 8* lists the CMT per line for each Verizon jurisdiction.[6] Verizon calculated the Common Line charges pursuant to the Commission's rules.

[5] *See* 47 C.F.R. §§ 61.43, 61.45(a), 61.46(a), and 61.47(a).

[6] CMT per line is capped CMT adjusted for Exogenous Costs.

The Subscriber Line revenues decreased by $6,515,889. Rate calculations are displayed in the *TRP CAP-1* and Revenues are displayed in *TRP Sum-1*.

A1.4.2.1 SUBSCRIBER LINE CHARGES (SLCs)

In this filing, the SLC rates are adjusted to reflect the change in exogenous costs and change in demand. The current caps for SLC rates are Primary Residence and Single Line Business at $6.50, Non-Primary Residence at $7.00 and Multiline Business at $9.20. The actual SLC rate for Primary Residence and Single Line Business is the SLC caps or the CMT revenue calculation per line. For Verizon Tariff F.C.C. No. 1, SLC rates are developed on a state-specific basis. For Verizon Tariff F.C.C. No.11, SLC rates are established at the tariff filing entity level. SLC rates are established by jurisdiction in both Verizon Tariff F.C.C. Nos. 14 and 16. *Figure 5* provides a listing of the proposed SLC rates.

A1.4.2.2 PICC Rates

When the SLCs do not recover the total CMT revenues, the overflow creates a Multiline Business PICC rate. The Multiline Business PICC cap is the rate that was in place on December 29, 2011. Since the SLCs do not recover the total CMT revenues, the overflow creates a Multiline Business PICC rate, and when any PICC reaches its cap and cannot collect all the revenues allowed, the remaining amount is then to be included in the calculations of the Access Recovery Charge (ARC). The impact of exogenous costs and change in demand in this filing resulted in a decrease of $73,560 to the PICC revenues and no overflow to the ARC.

The Multiline Business PICC rate development is shown on *TRP CAP-1*. *Figure 6* shows the proposed PICC rates by jurisdiction.

A1.4.2.3 Carrier Common Line Rates

The premium MOU (Common Line and Marketing) originating and terminating rates are zero for Verizon Tariff F.C.C. Nos. 1, 11, 14 and 16. Since the FCC order does not allow increases to the CCL rates after December 29, 2011, current rates will remain in place. However, if a Regulatory Fee, TRS or NANPA exogenous cost would have resulted in a CCL rate, those revenues, not collected in CCL, would be allowed to be recovered from the ARC. The premium MOU (Common Line and Marketing) originating and terminating rates for Verizon Tariff Nos. F.C.C. 1, 11, 14 and 16 are shown on *Figure 7*. The rate development for CCL charges is shown on the *TRP CAP-1*.

A1.4.3 SPECIAL ACCESS RATES

As displayed in the *TRP PCI-1*, the new PCI for the Verizon Special Access basket is 53.2878%. Verizon is not changing any Special Access rates because there is sufficient headroom to absorb the decrease related to exogenous costs. The SBI values for the Special Access basket are within the ranges permitted under the Commission's Price Cap Plan. *See TRP IND-1*. Calculations supporting the Special Access basket indices and upper limits can be found in the *TRP RTE -1*.

A1.4.4 INTEREXCHANGE

As displayed in the *TRP PCI-1*, the PCI for the Verizon Interexchange basket is 77.8366%. Since there are no revenues in the Interexchange basket, there is no change to current indices. The indices are in compliance with the rules.

A1.5 WORKPAPERS AND TARIFF REVIEW PLAN

A1.5.1 INTRODUCTION

The Verizon Telephone Companies have provided the necessary detail to support the calculations of indices and exogenous costs in various workpapers. The following is the index of such workpapers. Appendix A below contains the list of supporting documentation for this Annual Access filing.

A1.5.2 SUPPORTING DOCUMENTATION INDEX

Appendix A

Figures

Figure 1	Exogenous Cost Summary
Figure 2	IND-1 Transmittal Documentation
Figure 3	New Price Cap Services Introduced Jan. 2021 through June 2021
Figure 4	New Price Cap Services Introduced July 2020 through Dec. 2020
Figure 5	SLC Rates
Figure 6	PICC Rates
Figure 7	CCL Rates
Figure 8	CMT per line

Price Cap Rate Detail

VZTC Rate Detail 2021	
	Rate Detail BATR
	Rate Detail NXTR

	Rate Detail VZNC
	Rate Detail COPT
	Rate Detail COVA
	Rate Detail GTPA
	Rate Detail GTVA
Workpaper GDP-PI	GDP-PI Factor Development
Workpaper Revenue Summary	Revenue Summary

Exogenous Cost Workpapers

Workpaper 1	Allocation of Exogenous costs-VZTC
Workpaper 2	Regulatory Fee-VZTC
	Telecommunications Relay Service-VZTC
	North American Numbering Plan Administration
Workpaper 3	Excess Deferred Taxes-VZTC

Tariff Review Plan--Long Form (VZTCAN061621_TML 1420)

ANALYZER	TRP Analyzer
COSA IND-1	Price Cap Indices Display
COSA PCI-1	Price Cap Index Calculations
COSA SUM-1	Price Out Summary
COSA EXG-1	Exogenous Cost Changes
COSA EXG-2	Net Exogenous Cost Shifts
COSA RTE-1	Rate Detail
CAP-1 (COSA)	Calculation of EUCL Limit, PICC and CCL Rates
CAP-2 (COSA)	Manual Input of EUCL rates
CAP-3 (COSA	Calculation of Minimum and Maximum End User Rates
CAP-4 (COSA)	Allocation of Pool Revenues to MLB PICC and MLB EUCL
CAP- 5 (COSA)	Verification of Recovered CMT Revenue
VZTCOUTPC-1	Services Excluded from Price Cap
VZTCOUTPC-2	Services Removed from Price Cap
Certification Letter	Certification Letter for Price Cap

Appendix B Intercarrier Compensation Compliance

Appendix B

Description and Justification

B 1.0 INTRODUCTION

Intercarrier Compensation Compliance

Per the May 14th Order, Verizon is providing the TRP pages and supporting documentation necessary to determine the ARC rates. This documentation was created to comply with sections 51.915(e) and (f) of the Commission's rules[7], and includes the 2021 Rate Ceiling, 2021 Tariff Rate Comparison, and 2021 True Up spreadsheets. The 2021 Eligible Recovery spreadsheet calculates the amount of Eligible Recovery a price cap incumbent LEC is entitled to receive pursuant to section 51.915(d) of the Commission's rules. This year, the Eligible Recovery spreadsheet has been modified to change formulas in compliance with section 51.915(d) (viii) of the Commission's rules.

Appendix B includes the necessary supporting data and documentation for this filing.

B 1.1 Demand collection

Verizon determined Eligible Recovery using Fiscal Year 2011 demand for which Verizon received payments by March 31, 2012. The systems that Verizon uses to track and analyze intercarrier compensation demand, however, are based on billed data. To determine collected demand, Verizon developed a factor to apply against billed demand. First, Verizon identified the total charges billed for switched access and reciprocal

[7] 47 CFR § 51.915 et seq.

compensation by customer during the twelve months of the Fiscal Year 2011. Next, Verizon identified the amounts that each customer paid to Verizon for switched access and reciprocal compensation. Verizon adjusted both the billed and paid amounts to exclude late payment charges. Verizon also adjusted the Fiscal Year 2011 paid amounts to exclude payments for charges incurred before the Fiscal Year and to include payments for Fiscal Year charges that were received after the Fiscal Year. Verizon then used the resulting billed and paid amounts to calculate a factor that represents the amount collected as a percentage of the amount billed during the Fiscal Year. Verizon multiplied the factor by the billed demand for each access rate element to calculate the demand used to determine Eligible Recovery from reductions in Transitional Intrastate Access Service revenues. In addition, Verizon multiplied the factor by the CMRS reciprocal compensation billed revenue to determine the portion of Eligible Recovery from reductions in CMRS Net Reciprocal Compensation Revenues.

B1.3 Recovery Mechanism

The *USF-ICC Transformation Order* established a "transitional recovery mechanism to facilitate incumbent LECs' gradual transition away from ICC revenues reduced" as part of the *USF-ICC Transformation Order*.[8] The mechanism has two basic components: the revenue that ILECs are eligible to recover, known as "Eligible Recovery," and the limited end-user charges through which incumbent LECs can recover Eligible Recovery.[9]

The Commission "permits[s] incumbent telephone companies to charge a limited monthly Access Recovery Charge (ARC) on wireline telephone service, with a maximum annual increase of $0.50 for consumers and small business, and $1.00 per line for multiline business, to partially offset [intercarrier compensation] revenue decline."[10]

Section 51.915 of the Commission's rules describes the extent to which Price Cap carriers such as Verizon may recover certain revenues through the recovery mechanism.

B1.4 Eligible Recovery

Section 51.915(d) establishes the Eligible Recovery for price cap carriers. Generally speaking, the Eligible Recovery for price cap carriers like Verizon – that is, the revenue subject to the recovery mechanism – is "the difference between: (a) the Price Cap Baseline, subject to 10 percent annual reductions; and (b) the revenues from the reformed

[8] *USF-ICC Transformation Order* ¶847.

[9] *Id*. ¶850.

[10] *Id*. ¶36.

intercarrier compensation rates in that year, based on estimated MOUs multiplied by the associated default rate for that year.” [11]

The way in which Eligible Recovery is to be calculated is set forth in Section 51.915(d)(1)(i). That rule has three pieces, and the sum of those pieces, multiplied by the Price Cap Carrier Traffic Demand Factor and the Calls Study Area Base Factor, determines the Eligible Recovery.

The first of the three components is described in Section 59.915(d)(1)(i)(A). This component is based upon the reduction in Transitional Intrastate Access Service revenues determined pursuant to Section 51.907(b)(2). The Access Reduction Spreadsheets have been eliminated because the adjustment to bill-and-keep required by section 51.907(h) of the Commission’s rules is complete. The total amount of this calculation is $205,454,852.

The second of the three components is described in Section 59.915(d)(1)(i)(B). This component is based upon the reduction in CMRS Net Reciprocal Compensation Revenues, defined at Section 51.915(b)(3). The Reciprocal Compensation Spreadsheets have been eliminated because the adjustment to bill-and-keep required by section 51.705(c)(4) of the Commission’s rules is complete. The total amount of this calculation is $4,746,363.

The third of these three components, described in Section 59.915(d)(1)(i)(C), is based on certain reductions in Fiscal Year 2011 net reciprocal compensation. Section

[11] *Id*. ¶851.

59.915(d)(1)(i)(C) (3) permits a price cap carrier to elect to forgo this step and receive no recovery for reductions in net reciprocal compensation. Consistent with that option, Verizon has elected to forgo this third step.

There is a separate workpaper that adds up these components and provides Verizon's total Eligible Recovery. That workpaper, *VZTC_ER_21*, multiplies the sum of the amounts produced by the three components of Eligible Recovery by the Price Cap Carrier Traffic Demand Factor and the CALLS Study Area Base Factor, as Section 59.915(d)(1) requires. The total amount of Verizon's Eligible Recovery is $69,864,198.

B1.5. Access Recovery Charge Calculations

Section 51.915(e) describes the Access Recovery Charge and sets forth a series of constraints and limitations regarding the ARC. Generally speaking, the monthly ARC cannot increase more than $0.50 per year for a residential or single line business customer or more than $1.00 per line per year for a multiline business customer. Moreover, the consumer ARC cannot increase if the increase would result in certain residential End-User rates exceeding the Residential Rate Ceiling of $30.00. And third, ARCs can only be charged in a particular year to recover Eligible Recovery for that year, and total revenue from ARCs cannot exceed Eligible Recovery.[12]

This is the eighth year that carriers are required to begin making true-ups to certain revenue amounts to reflect differences between projected and actual demand. For the

[12] *Id*. ¶908.

tariff year 2019-2020 Verizon determined that expected ARC revenues exceeded the actual ARC revenue by $3,900,830. Verizon's Eligible Recovery for the tariff year 2021-2022 therefore is increased by that amount. Verizon calculated the Maximum ARC Revenue Opportunity using workpaper *VZTC_ARC_21*. This year is the eighth year that interstate access reductions are included.

Verizon also calculated the Tariffed ARC Revenue using workpaper *VZTC_TRC_21*. Verizon set ARC rates that comply with Section 51.915(e)'s constraints, as workpaper *VZTC_TRC_21* demonstrates.

The monthly, per-line ARC rates are as follows:

- Residential: $1.75
- Single Line Business and BRI: $1.77
- Centrex: $1.30
- Multiline Business: $3.20

Note that Verizon will not be charging the ARC for residential lines in Maryland, New Jersey, New York, North Carolina and Virginia. In those states, all or some exchanges exceed the $30 Residential Rate Ceiling, and as a result, Verizon has elected not to bill the ARC for residential service in those states. In addition Verizon will be charging a reduced ARC in Washington, D.C. to recover only the interstate portion of the Access Recovery Charge; that reduced ARC remains at $0.24 for Residential, Single Line Business, and BRI lines.

Based on the ARC rates listed above, the amount of Verizon's Tariffed ARC Revenue is in workpaper *VZTC_TRC_21*, is $69,850,511. Consistent with Section 59.15(e)(2), this amount does not exceed Verizon's Eligible Recovery.

The true up for the 2021-2022 tariff ARC revenues will be in 2023-2024 ARC calculation.

B 1.6 WORKPAPERS AND TARIFF REVIEW PLAN

B1.6.1 INTRODUCTION

The Verizon Telephone Companies have provided the necessary detail to support the calculations of reductions required by the Intercarrier Compensation Regulations. The following is the index of such workpapers. The Appendix contains the workpapers and the Intercarrier TRP for VZTC.

B 1.6.2 SUPPORTING DOCUMENTATION INDEX

Appendix B

Tariff Review Plan

Verizon ARC Calculations

VZTC_ARC_21_Proprietary	Maximum ARC Opportunity Calculations -- Proprietary
VZTC_ARC_21_Public	Maximum ARC Opportunity Calculations -- Public

Verizon Tariff Rate Comparison

VZTC_TRC_21_Proprietary	Tariff Rate Comparison -- Proprietary
VZTC_TRC_21_Public	Tariff Rate Comparison -- Public

Eligible Recovery

VZTC_ER_21	Verizon Eligible Recovery

Eligible Recovery Summary

VZTC SUMER 21 Proprietary	2020 and 2021 Eligible Recovery Summary -Proprietary
VZTC SUMER 21Public	2020 and 2021 Eligible Recovery Summary -Public

True Up

VZTC_TrueUp_21 Proprietary	2021 Annual True up Process for 2019-2020 Tariff year - Proprietary

VZTC_TrueUp_21 Public	2021 Annual True up Process for 2019-2020 Tariff year - Public
Certification Letter	Certification Letter for Intercarrier Compensation

Appendix C

8YY Access Charge Reform

Appendix C

Description and Justification

C 1.0 8YY Access Charge Reform Order FCC 20-143 Requirements

On October 9, 2020, the FCC released its report and order in WC Docket 18-156[13] establishing a three annual step process commencing on July 1, 2021, for restructuring and reducing the access charges applied to originating Toll Free (8YY) minutes and database queries.

The requirements for the first annual step are detailed in § 51.907(i), with any necessary rate reductions or rate application changes effective July 1, 2021. For the end office usage intrastate versus interstate rate revenue comparisons required in § 51.907(i)(2), originating Toll Free end office rate element demand was obtained from the CABS Statistics Page for the period July 1, 2019, through June 30, 2020 (base period). Similarly, in order to ensure that the Joint Tandem Switched Transport Access Service usage rate as required in § 51.907(i)(5) was established at the appropriate rate level, originating Toll Free tandem-switched transport rate element demand was obtained from the CABS Statistics and Usage Pages for the period July 1, 2019, through June 30, 2020. As required by § 51.907(i)(1), new end office End Office Switching and Shared End Office Trunk Port rates are being established for originating Toll Free minutes in both the

[13] *In the Matter of 8YY Access Charge Reform*, Report and Order, WC Docket No. 18-156, FCC 20-143 (October 9, 2020).

interstate and intrastate tariffs. The newly established end office interstate rates for originating Toll Free minutes will be at the current rate levels for originating minutes. As required by § 51.907(i)(2), originating Toll Free end office usage rate element intrastate (non-VoIP) demand was priced out at both the current intrastate (non-VoIP) rate and current interstate rates. Since originating intrastate VoIP-rated minutes are already assessed the end office interstate rates (all states other than MA) or current end office intrastate rates where they are already lower than the interstate rates (MA), that demand is not relevant to the required calculations. The intrastate end office usage rate elements included demand for End Office Local Switching, Shared End Office Trunk Port, and Carrier Common Line (PA only state >0 rate). Since many states are at parity (MD, NJ, NY) or lower (MA) with interstate rates, the intrastate end office usage rate levels for originating Toll Free usage will be equal to the current intrastate originating usage rate levels. For those states where current intrastate originating end office usage element rate levels (non-VoIP) produced a greater amount of revenue than the interstate originating end office usage element rate levels (CT, DE, PA, RI, and VA), the intrastate originating Toll Free end office usage rates will be lowered to the interstate rate levels. These required end office usage rate reductions result in a $960,137 decrease in revenue for the base period.

As required by § 51.907(i)(5), a new Joint Tandem Switched Transport Access Service (JTSTAS) usage rate is being established for originating Toll Free minutes in both the interstate and intrastate tariffs. The current originating Tandem-Switched Transport rate elements; originating Tandem Switching, Tandem Transport Termination (Fixed), Tandem Transport Facility (Per Mile), Tandem (Common) Multiplexing, Host-Remote Transport Termination (Fixed), and Host-Remote Transport Facility (Per Mile), will no longer be applied to originating Toll Free access minutes of use. Because all current originating Tandem Switching rates, with the exception of intrastate non-VoIP-rated usage rates in PA and VA, exceed the JTSTAS rate cap of $0.001 per minute, no further analysis was required to determine the JTSTAS rate for those situations, i.e. the rate will be set at the $0.001 per minute cap where tandem switching function is provided. For PA (fBA) and VA(fBA), base period intrastate non-VoIP-rated originating Toll Free demand for each of the current Tandem-Switched Transport rate elements was multiplied by the current rate levels to determine a current rate per tandem switching minute of use. Once again, those rates exceeded the JTSTAS rate cap; all interstate and intrastate JTSTAS rates will be set at the $0.001 per minute of use for originating Toll Free minutes where the tandem switching function is provided. These required Tandem-Switch Transport usage rate reductions result in a $2,560,712 decrease in revenue for the base period.

As required by § 51.907(i)(6), both interstate and intrastate Toll Free query rates must be reduced to a cap of $0.004248 per query where current rates exceed that cap. The current intrastate basic Toll Free Query rates in CT, DE, MA, PA (fBA), RI, and VA (fBA) are already below $0.004248 per query rate cap and will not be changing. In all other instances, the current basic Toll Free Query rates exceed the rate cap and will be reduced to $0.004248 per query. These required Toll Free Data Base Access Service rate reductions result in a $789,289 decrease in revenue for the base period.

C 1.2 8YY WORKPAPER

The Verizon Telephone Companies have provided the necessary detail to support the calculations related to 8YY Access Charge Reform in the following Workpapers.

WORKPAPERS:

TY 2021-2022 Intrastate Toll Free Originating End Office Access Service Rate Calculations:

FCCs Toll Free Originating EO Intrastate vs Interstate Rates – VzT FCC No. 1
FCCs Toll Free Originating EO Intrastate vs Interstate Rates – VzT FCC No. 11
FCCs Toll Free Originating EO Intrastate vs Interstate Rates – VzT FCC No. 14
FCCs Toll Free Originating EO Intrastate vs Interstate Rates – VzT FCC No. 16