

**Cincinnati Bell Telephone LLC**

**Tariff FCC No. 35**

**2023 Mid-Year Tariff Review Plan Filing**

**Transmittal No. 943**

**September 18, 2023**

## **Description & Justification**

### **Introduction**

Cincinnati Bell Telephone Company (CBT) makes this mid-year 2023 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 2023.

### **Regulatory Fees, TRS and NANP Exogenous Costs**

Subsequent to CBT's 2023 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 September 2, 2022 the Commission released its Report and Order in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2022*, FCC 22-68. This NPRM proposed the Regulatory Fee factor of 0.00452. CBT calculated its 2023 Regulatory Fees exogenous adjustment by multiplying the 0.00452 factor by the 2022 end-user revenue from FCC Form 499A.

On August 10, 2023, 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 2023*, FCC 23-66. This Order specified the Regulatory Fee factor of 0.00540. The current 0.00540 factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2023 Regulatory Fees exogenous adjustment. CBT computed the difference between the original and revised 2023 adjustments. See Exhibit EXG-ALLOCATE.

**B. Development of Telecom Relay Support (TRS)**

On June 30, 2022, 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 22-699. This Order defined and established two TRS factors: Non-IP CTS factor of 0.011251 and IP-CTS factor of 0.006530. The Order also specified 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 2023 TRS Exogenous adjustment by multiplying each factor to the specified 2022 End-User revenues from FCC Form 499A.

On June 30, 2023, 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 23-577. This Order established two TRS factors: Non-IP CTS factor of 0.00025 and IP-CTS factor of 0.01615. CBT computed the difference between the original and revised 2023 adjustments. See Exhibit EXG-ALLOCATE.

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

On August 8, 2022, the Commission released Public Notice CC Docket 92-237, DA 22-833, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2022 through September 2023*. This Public Notice proposed a NANP factor of 0.0000853. CBT calculated its 2023 Regulatory Fees Exogenous adjustment by multiplying the 0.0000853 factor by the 2022 End-User revenue from FCC Form 499 to yield the 2023 NANP exogenous adjustment.

On August 10, 2023, the Commission released Public Notice CC Docket 92-237, DA 23-675, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2023 through September 2024*. This Public Notice proposed a NANP factor of 0.0001047. CBT calculated its 2023 Regulatory Fees Exogenous adjustment by multiplying the 0.0001047 factor by the 2022 End-User revenue from FCC Form 499A CBT computed the difference between the original and

revised 2023 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 2022 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 \$5.94 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 \$5.94 for Residence and Single-line business, \$5.94 for Non-primary Residence and ISDN-BRI, and \$5.94 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 2023 Contribution Factor*, DA 23-843 on September 13, 2023. The Commission proposed a USF factor of 34.5%, up from the previous factor of 29.2%. CBT recovers its USF contribution, pursuant to the Commission's Contribution Methodology Order<sup>1</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>1</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.

Filing Date:  
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9/18/2023  
**CBTC**  
**943**

**09/18/2023 Price Cap Midyear Filing**  
**Exogenous Cost Changes Detail For EXG-1 and CAP Forms**

	2022		FCC DA 22-68	FCC DA 22-699	FCC DA 22-699	DA 22-833
	Total	Interstate	9/2/2022	6/30/2022	6/30/2022	8/8/2022
	End User Revenues		Regulatory Fee	TRS-Non-IPCTS	TRS-IPCTS	NANPA
	(499A)	(499A)	0.00452	0.01125	0.006530	0.0000853
	(A)	(B)	(C) = B * 0.00452	(D) = B * 0.01125	(D2) = A * 0.00653	(E) = A * 0.0000853
Exogenous Amount	\$ 127,250,055	\$ 45,382,795	\$ 205,130	\$ 510,556	\$ 830,943	\$ 10,854
Excluded Revenue	\$ 26,789,312	\$ 26,789,312				
Price Cap Revenue Percentage	78.95%	40.97%				

	2022 Mid-Year Rate Changes		FCC DA 23-66	FCC DA 23-577	FCC DA 23-577	DA 23-675
			8/10/2023	6/30/2023	6/30/2023	8/10/2023
			Regulatory Fee	TRS-Non-IPCTS	TRS-IPCTS	NANPA
			0.00540	0.00025	0.016150	0.0001047
			(C') = B * 0.0054	(D') = B * 0.00025	(D2') = A * 0.01615	(E') = A * 0.0001047
Exogenous Amount			\$ 245,067	\$ 11,346	\$ 2,055,088	\$ 13,323

	10/2022 - 9/2023	10/2023 - 9/2024	Exogenous	Annualized
	(A)	(B)	(C) = B - A	(D) = C * Annualization Factor
Regulatory Fee Support:				
FCC DA 22-68 - 0.00452 Factor 2022 Revenue	\$ 205,130			
FCC DA 23-66 - 0.0054 Factor 2022 Mid-Year Revenue		\$ 245,067		
	\$ 205,130	\$ 245,067		

% Price Cap Allocation	40.97%	40.97%		Factor	1.000000
Price Cap Exogenous Amount	\$ 84,043	\$ 100,405	\$ 16,362		16,362

	7/2022 - 6/2023	7/2023 - 6/2024	Exogenous
	(A)	(B)	(C) = B - A
Telecom Relay Support			
FCC DA 22-699 - 0.01125 Factor 2022 Revenue	\$ 510,556		
FCC DA 23-577 - 0.00025 Factor 2022 Mid-Year Revenue		\$ 11,346	
FCC DA 22-699 - 0.00653 Factor 2022 Revenue	\$ 830,943		
FCC DA 23-577 - 0.01615 Factor 2022 Mid-Year Revenue		\$ 2,055,088	
	\$ 1,341,499	\$ 2,066,434	

% Price Cap Allocation - Non-IPCTS	40.97%	40.97%		
Price Cap Allocation - Non-IPCTS	\$ 209,177	\$ 4,648		
% Price Cap Allocation - IPCTS	78.95%	78.95%		Factor
Price Cap Allocation - IPCTS	\$ 656,009	\$ 1,622,441		1.333333
Price Cap Exogenous Amount	\$ 865,185	\$ 1,627,089	761,904	\$ 1,015,872

	10/2022 - 9/2023	10/2023 - 9/2024	Exogenous
	(A)	(B)	(C) = B - A
North American Numbering Plan Administration:			
DA 22-833 - 0.0000853 Factor 2022 Revenue	\$ 10,854		
DA 23-675 - 0.0001047 Factor 2022 Mid-Year Revenue		\$ 13,323	
	\$ 10,854	\$ 13,323	

% Price Cap Allocation	78.95%	78.95%		Factor	1.000000
Price Cap Exogenous Amount	\$ 8,569	\$ 10,518	\$ 1,949		1,949

**499A 2022 Interstate End User Revenues**  
**Allocation Basis**  
**Regulatory Fee Support:**  
**Telecom. Relay Support**  
**NANPA**  
**Total Exogenous**

	<b>Common Line</b>	<b>Special</b>	<b>Price Cap Revenue</b>
	\$ 18,583,972	\$ 9,511	\$ 18,593,483
	99.95%	0.05%	
	\$ 16,354	\$ 8	\$ 16,362
	\$ 1,015,352	\$ 520	\$ 1,015,872
	\$ 1,948	\$ 1	\$ 1,949
	\$ 1,033,654	\$ 529	\$ 1,034,183