Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
July 2, 2002	)	WCB/Pricing 02-12
Annual Access Charge Tariff Filings	)	

<u>Opposition to Petition to Suspend and Investigate</u>

Illinois Consolidated Telephone Company ("ICTC") FRN No. 0004-3337-12, hereby opposes AT&T's June 24, 2002 Petition to Suspend and Investigate ICTC Tariff F.C.C. No. 2, Transmittal No. 115, filed June 17, 2002. This transmittal and accompanying F.C.C. Tariff No. 2 correctly and completely document the procedures used and indicate the revenue requirement amounts that were reallocated to the appropriate access categories for the removal of general support facilities from access rates to the billing and collection category, as required by the Commission's *Tariff Review Order*[1], and correctly and completely remove the costs of general support facilities investment associated with other billing and collection from its access rates as required by the *MAG Order*[2].

I. Introduction

As a result of the MAG Order, the Commission established 47 C.F.R. §69.307(e), which states:

> "Beginning July 1, 2002, for non-price cap local exchange carriers not covered by §69.307(c) (2), a portion of General purpose computer investment shall be apportioned to the billing and collection category on the basis of the Big Three Expense Factors allocator, defined in §69.2, modified to exclude expenses that are apportioned on the basis of allocators that include General Support Facilities investment. The remaining General Support Facilities investments shall be

[1] *July 2, 2002 Annual Access Charge Tariff Filings*, WCB/Pricing 02-13, Tariff Review Plans for Carriers Subject to Rate of Return Regulation, DA 02-1308, (released June 3, 2002).
[2] *Multi-Association Group (MAG) Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Second Report and Order and Further Notice of Proposed Rulemaking, CC Docket Nos. 00-256, 96-45, 98-77, 98-166, FCC 01-304, ¶ 116 (released November 8, 2001), ("MAG" Order").

> apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access Elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined."

II. ICTC identified, fully described, and removed from access charges the General Support Facilities investments as required per the *MAG Order*.

ICTC's Transmittal No. 115 properly implements the *MAG Order's* requirement to determine the cost of the investment in general purpose computers and applies a modified Big Three Expense Factor used by price-cap carriers to ICTC's general purpose computer investment to determine the amount to be allocated to the billing and collection category in Part 69.

The procedures applied to compute the General Support Facilities investments that were reapportioned as a result of the *MAG Order* and the associated removal of revenue requirements amounts from appropriate access categories were clearly depicted in the description and justification filed with ICTC's Transmittal No. 115, as prescribed by the Commission's *Tariff Review Order*. AT&T concurs in their petition that ICTC complied with this Commission requirement.

Rather, AT&T contends that there was no evidence that the reallocation described in ICTC's Description and Justification was properly apportioned to the Part 69 cost study elements to remove the General Support Facilities investments related to billing & collection from ICTC's access rates. AT&T's petition on this matter is inaccurate as ICTC did in fact remove the General Support Facilities revenue requirement allocable to billing and collection from the Part 69 elements prior to developing their access rates.

As noted in ICTC's Description & Justification, the total General Support Facilities investment and expense that was reapportioned and removed from the revenue requirement in the Part 69 cost study elements was $86,553. Attachment A, which was originally supplied as cost support with Transmittal No. 115, depicts the total interstate General Support Facilities investment that has been apportioned on the basis of the Big

Three Expense Factors allocator associated with the B&C element. This revenue requirement figure is then removed from the Part 69 elements based on the allocation of General Support Facilities Net Investment. These revenue requirement figures, on a Part 69 element basis are carried forward to Attachment B, also supplied with the original cost support for ICTC's Transmittal No. 115. Attachment B begins with the projected FYE 6/30/03 Part 69 cost study revenue requirements by element (Line One), unadjusted for any *MAG Order* revisions. Continuing on lines four through six on Attachment B, the *MAG Order* changes are backed out from revenue requirement, on a per element basis, including the General Support Facilities assigned to billing & collection (shown on Line Four). The schedule continues with the remaining adjustments for the Line Port Transfer[3] and the removal and reallocation of the TIC[4], required per the *MAG Order*.

The result, shown on Line Nine, is the revised Part 69 revenue requirement, by element, after the adjustments for the *MAG Order*. These *MAG Order* adjusted revenue requirements shown on Line Nine are the base revenue requirements used in the access rate development.

For example, Attachment C, a document supplied as cost support with ICTC's Transmittal No. 115, computes the local switching access rate. This schedule reiterates the computation above, but strictly for the local switching element, and begins with the Part 69 local switching revenue requirement of $3,129,895, prior to the implementation of the *MAG Order*, and reduces this revenue requirement for the apportioned General Support Facilities investment assigned to billing and collection (Line 8) per 47 C.F.R. 69.307. It continues by removing the revenue requirement associated with the Line Port Transfer (Line 10) as prescribed by 47 C.F.R. 69.306 and adds back the apportioned TIC reallocation revenue requirement (Line 12) as prescribed by 47 C.F.R. 69.415. The result is the adjusted Part 69 local switching revenue requirement after the implementation of the MAG Order, or $2,356,963, which is the basis for the local switching access rate development.

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[3] 47 C.F.R. 69.306
[4] 47 C.F.R. 69.415

This same rate development methodology is applied to the tandem/transport and special access elements, which are clearly depicted on the cost support ICTC filed with Transmittal No. 115 on June 17, 2002.

III. Conclusion

For the foregoing reasons, ICTC respectfully requests that the Commission reject the arguments and Petition of AT&T to Suspend and Investigate ICTC F.C.C. No. 2, Transmittal No. 115 and permit the rates calculated to go into effect on July 2, 2002, as filed.

Respectfully submitted,

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