

Telephone Utilities Exchange Carrier Association
Revisions to Tariff F.C.C. No. 2
Deposit Regulations
July 3, 2002

1. Introduction

With this filing, Telephone Utilities Exchange Carrier Association (TUECA) modifies the regulations in Section 2.4.1(A) related to the conditions under which a telephone company participating in TUECA Tariff F.C.C. No. 2 may request a security deposit from a new customer or an additional deposit amount from an existing customer.

2. Description of Tariff Filing

TUECA is revising its tariff to expand its existing regulations to specify under what conditions a telephone company may request a security deposit to protect its interests by ensuring that an adequate deposit is held as a guarantee of payment for services provided to a customer.

The tariff revisions provide specific guidelines for requesting security deposits from both new and existing customers and specify the maximum amount of security that may be requested. In addition the tariff revisions specify that when an existing customer with an effective service term plan in place prior to the effective date of these tariff revisions rejects the condition that continuation of its service(s) is contingent upon its payment of the requested security deposit to the Telephone Company, the Telephone Company will waive the applicable termination liability charge(s) associated with the customer's discontinued service(s).

3. Justification for the Tariff Modifications

Given the current financial environment in the overall economy and, more specifically, in the telecommunications industry, telephone companies participating in TUECA's Tariff are faced with greater risks for uncollectibles due to payment defaults on bills for services rendered. These tariff revisions are being made to help safeguard the pooling companies' interests going forward, to help ensure adequate security is held as guarantee of payment, and to help the need for access rate increases for all access customers.