

Description & Justification

Introduction

Cincinnati Bell Telephone (CBT) makes this filing to incorporate First Quarter 2003 Universal Service Fund (USF) contribution levels. This filing is being made in compliance with the following:

- FCC Public Notice, Proposed First Quarter 2003 Universal Service Contribution Factor, CC Docket 96-45, DA 02-3387, released December 9, 2002 and;
- Sixth Report And Order in CC Docket 96-262 and 94-1, Report and Order in CC Docket 99-249, Eleventh Report and Order in CC Docket 96-45. Herein referred to as the "CALLS Order".

Universal Service Fund Contribution

CBT is recovering its USF contribution through an end-user charge as allowed in the CALLS Order. The FCC released the Proposed First Quarter 2003 Universal Contribution Factor in CC Docket 96-45, DA 02-3387 on December 9, 2002. The Commission proposes a contribution factor of 0.072805 for the first quarter of 2003. Using the new factor and the adjusted Annualized End-User Interstate Revenue amount as shown in CBT's FCC Form 499 (July-September 2002), CBT's annual contribution is \$5,057,020. Pursuant to the FCC's USF Report and Order, FCC 02-43, released February 26, 2002, CBT's End-User Interstate Revenues are adjusted to remove universal

service contributions for the previous quarter to eliminate circularity of assessment

CBT computed the USF end-user charge by dividing the annual contribution amount by the total lines subject to USF. This yields a USF end-user charge of \$0.43 per line (See Attachment 1).