

Description & Justification

Introduction

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

- FCC Public Notice, Proposed Second Quarter 2003 Universal Service Contribution Factor, CC Docket 96-45, DA 03-689, released March 7, 2003 and;
- 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 (Contribution Methodology Order) 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 FCC 00-193, released May 31, 2000. Herein referred to as the "CALLS Order".

Universal Service Fund Contribution Recovery

The FCC released its Contribution Methodology Order on December 13, 2002. In the Contribution Methodology Order, the FCC allows carriers to recover their USF contribution by applying the relevant contribution factor times the interstate telecommunications portion of the end-user's bill.

The FCC released its Proposed Second Quarter 2003 Universal Contribution Factor on March 7, 2003. The Commission proposes a contribution factor of 0.090044 for the second quarter of 2003.

In accordance with the Commission's Contribution Methodology Order, CBT is recovering its USF contribution by applying the contribution factor to end-user interstate and international revenues. CBT is first summing the End-User Common Line (EUCL) charge and the Local Number Portability (LNP) charge. This result is multiplied by the relevant second quarter contribution factor released by the Commission.

CBT's EUCL charge is \$5.19. CBT's LNP charge is \$0.35. The sum of the two end-user rates is \$5.54. Multiplying \$5.54 times the second quarter 2003 contribution factor of 0.090044 yields a USF recovery end user rate of \$0.50.

For non-lifeline end-users that are assessed EUCL and LNP, the USF recovery rate of \$0.50 will be combined with the existing LNP rate.