

DESCRIPTION & JUSTIFICATION

Transmittal No. 784

Introduction

Cincinnati Bell Telephone (CBT) is making this filing in order to restructure its federal Universal Service Charge (USF) end user charge from a monthly computed flat rate charge to a percentage surcharge . This filing is being made in compliance with the following:

- 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".

CBT is also proposing changes to Section 8 -Billing Name and Address (BNA), to initiate a minimum change if CBT's BNA service is utilized during a month.

Universal Service Fund Contribution Recovery

Prior to April 1, 2003, CBT recovered its USF contributions via a separate rate element that was combined with the Local Number Portability (LNP) charge. Beginning April 1, 2003, pursuant to the Commission's

Contribution Methodology Order, CBT recovered its USF contribution by applying the relevant USF contribution factor to the sum of the End User Common Line (EUCL) charge and the LNP charge. The resulting USF recovery charge was combined with the LNP charge. CBT filed these changes in Transmittal No. 778.

CBT now will compute its USF recovery by applying the relevant USF Contribution factor to the following charges:

- * EUCL
- * Presubscribed Interexchange Carrier (PIC) change charge
- * LNP
- * Interstate IntraLATA Toll usage

The USF surcharge for these services will be reflected as a separate line item, clearly identified on the customer's bill. Information regarding the proposed changes will be provided to affected customers.

Because USF recovery will no longer be combined with CBT's LNP charge, the LNP/USF rate element will now only reflect the LNP charge.

Billing Name and Address

CBT proposes changes to Section 8 - Billing Name and Address (BNA) in order to establish a minimum charge if BNA service is used during a month. The minimum charge if the service is used during a month is \$50.00. If customers do not utilize CBT's BNA service during a month,

then charges do not apply. This minimum charge is similar to Ameritech's minimum monthly charge.

CBT's minimum BNA usage charge is designed to recover costs to manually bill for BNA service. CBT has attached cost support for the proposed minimum charge in Attachment 1.