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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 844

In the Matter of the Investigation into the)
Pricing of Building Blocks Pursuant to the Cost) ORDER
Studies Adopted by the Commission)
in Docket UM 773.)

DISPOSITION: REVISED BUILDING BLOCK RATES APPROVED

At its April 1, 1997, public meeting, the Public Utility Commission of Oregon (Commission) approved a recommendation by its Staff (Staff) to adopt building block cost studies produced by U S WEST Communications, Inc., (USWC), as modified. The cost studies were prepared in accordance with a stipulation approved by the Commission in Order No. 96-284, in docket UM 773. The UM 773 cost study results supersede cost estimates previously approved by the Commission in Order No. 96-283, Revised Appendix C. The Commission initiated this investigation to determine whether, as a result of the UM 773 cost estimates, the building block prices approved in Order No. 96-283 should also be revised.

On April 3, 1997, the Commission issued a Notice of Investigation in this docket. Interested persons were invited to submit comments regarding the need to adjust building block prices. USWC and the Staff filed opening comments on May 14, 1997. Joint opening comments were also filed by AT&T Communications of the Pacific Northwest, Inc., MCImetro Access Transmission Services, Inc., and AT&T Wireless Services, Inc., (the "Joint Commenters"). Reply comments were filed on May 28, 1997 by USWC, Staff, the Joint Commenters, and GTE Northwest Incorporated (GTE).

Equal Percentage Markup. In Order No. 96-188, the Commission held that unbundled element rates should be set at a level which enables incumbent local exchange carriers (ILECs) to recover total service long run incremental cost (TSLRIC) plus a reasonable contribution to joint and common costs. As USWC observes, this pricing approach is consistent with the statutory requirements set forth in §252(d) of the Telecommunications Act of 1996.

Staff, USWC, and the Joint Commenters generally agree that building block rates should be marked up by an equal percentage over TSLRIC. The parties disagree, however, regarding the average percentage markup that should be authorized. Except as noted below, Staff recommends that building blocks be marked up by ****A****¹ percent over TSLRIC. USWC proposes a higher average markup of ****B**** percent over TSLRIC.² GTE and the Joint

¹References to confidential information are set forth in Confidential Appendix A.

²As noted elsewhere, USWC's proposed rates for certain building blocks are not based on Commission approved costs. In other cases, such as switching building blocks, the proposed rates differ from USWC's proposed equal percentage markup.

Commenters do not propose specific building block rates, however the Joint Commenters recommend a markup of not more than 10 percent.

The Commission is persuaded that the equal percentage markup approach recommended by Staff, USWC and the Joint Commenters should be adopted. While this method differs somewhat from that approved in Order Nos. 96-188 and 96-283--wherein categories of building blocks were generally marked up on an equal percentage basis--we agree that a fixed percentage markup over TSLRIC is a reasonable pricing strategy. As USWC notes, an equal percentage markup provides the benefit of a consistent price-to-cost relationship across building blocks at a time when the demand for building blocks has not yet been established.

Based on our review of the cost and price information submitted, the Commission finds that the average percentage markup recommended by Staff should be adopted. For reasons discussed below, we also find that the same markup should be applied to all authorized building blocks with the exception of those for which no new costs were developed in UM 773.³ The level of markup over TSLRIC proposed by Staff includes a significant contribution to joint and common costs consistent with our orders in docket UM 351. At the same time, we do not believe that the resulting prices will impair the purchase of building blocks by competitive providers.

As emphasized in Order No. 96-283, selecting a reasonable building block markup involves more of an exercise in judgment than reliance upon specific formulas or calculations. The appropriate markup will stimulate demand for building blocks without creating significant pricing distortions or serious adverse impacts on ILECs or their customers. It is difficult to assess the demand for building blocks, however, because telecommunications competition is only beginning to emerge, particularly in local exchange markets, and because competitive providers have no prior experience purchasing unbundled elements. Moreover, while reasonable building block prices are clearly important to competitive entry, new providers may choose not to buy building blocks for a variety of reasons. Certain providers, for example, choose to build their own facilities rather than purchase building blocks from the ILECs. Others may opt to resell ILEC telecommunications services rather than provide their own facilities. Still other competitors may postpone entry into the Oregon market because of regional or national strategies which dictate that other markets should be penetrated.

The complexities associated with the pricing process and uncertainty surrounding the development of telecommunications competition present a continuing challenge from a regulatory perspective. It will be necessary to monitor the purchase of building blocks and other relevant indicia in a continuing effort to assess the reasonableness of our pricing decisions. For the present, the Commission finds that the building block markup recommended by Staff is fair and reasonable. We note, however, that exceptions to this pricing approach may be necessary as competition develops.

Network Access Channel (NAC)⁴ Markup. In Order No. 96-188, docket UM 351, the Commission established a basic NAC price of \$11.95, representing a five percent markup over the TSLRIC of the NAC.⁵ In Order

³These include Enhanced 911 and certain Network Access Channel Connection, Ancillary Service, Switch Feature and Channel Performance building blocks. See Confidential Appendix B. The parties did not recommend price changes for these building blocks.

⁴The Network Access Channel (NAC), together with the Network Access Channel Connection (NACC) comprise an unbundled loop.

⁵ Although USWC designated the NAC building block cost as confidential in docket UM 351, it subsequently disclosed that information. See Order No. 96-283 at 7.

No. 96-283, docket UM 351, we increased the NAC price to \$16.00 because of concerns relating to possible revenue erosion and evidence in docket UM 773 which suggested that new cost studies might push the NAC cost above the \$11.95 price established in Order No. 96-188. Instead, the cost studies in docket UM 773 produced a *decrease*, rather than an increase in the basic NAC cost. *See* Order No. 97-145, Confidential Appendix A.

Staff recommends that the Commission retain the \$16.00 NAC price authorized in Order No. 96-283.⁶ Staff states that retaining the current basic NAC price will help mitigate the effect of policies adopted by the Federal Communications Commission (FCC) with regard to the subscriber line charge (SLC). The FCC requires ILECs to impose an SLC on end user customers, but prohibits incumbents from assessing the SLC on purchasers of unbundled loops. As explained in Order No. 96-283, the FCC policy creates the potential for ILEC revenue erosion. Staff emphasizes that the revenue erosion risk has been magnified by the recent FCC decision to increase the SLC from \$6.00 to a maximum of \$9.00 per month on lines purchased by multiline business customers.

Staff also maintains that it is prudent to retain the current NAC rates given the ongoing controversy regarding the appropriate method for calculating NAC costs. USWC and GTE argue that the NAC TSLRIC approved in docket UM 773 is based on unrealistic “fill factor” assumptions. Staff notes that the NAC prices also apply to GTE until the Commission has the opportunity to approve GTE’s company-specific TSLRIC data and rates. Staff points out that this process will take many months and is concerned that the “fill factor” dispute may impact GTE in the interim.

USWC’s proposed price for the basic NAC building blocks is not based upon the building block costs approved in docket UM 773. USWC maintains that the UM 773 basic NAC TSLRIC does not cover actual cost. It recommends a \$22.62 price for the basic NAC (2-wire) and ISDN NAC. USWC’s proposed price for the basic NAC (4-wire) is \$45.25.

The Joint Commenters argue that the Commission should reinstate the \$11.95 basic NAC price approved in Order No. 96-188, because the principal reason for increasing the NAC price to \$16.00--the anticipated increase in basic NAC cost--never materialized. These parties emphasize that the decision in Order No. 96-188 to constrain the NAC markup to five percent is consistent with the position articulated in FCC Order 96-325. At ¶696 of that order, the FCC states that it is reasonable to allocate only a small portion of common costs to certain critical network components such as the loop and collocation, because such components are difficult for new entrants to replicate promptly. The Joint Commenters also point out that residential service will fail the imputation test adopted by the Commission unless the NAC price is reduced.

The Commission finds that the NAC markup should be reduced to the ****C**** percent markup authorized above. This produces a basic NAC rate of \$15.00. At this level of markup, the NAC rate covers TSLRIC and provides significant contribution to joint and common costs.

In reaching this decision, we acknowledge Staff’s point that a higher basic NAC rate would generate more revenue for USWC and GTE, the ILECs subject to this order. Because of imputation, however, a higher NAC rate will not mitigate any competitive disadvantage that may result from the FCC decision not to impose the SLC on purchasers

⁶ Staff’s recommendation extends to the three basic NAC building blocks. These include the Basic NAC (2-wire) and ISDN NAC, both priced at \$16.00 per month, and the Basic NAC (4-wire) currently priced at \$32.00 per month.

of unbundled loops.⁷ As we stated in docket UM 351, this is a matter that must be addressed at the federal level. *See* Order No. 96-283 at 13. Increasing the contribution from the NAC does not remedy the situation and would be inconsistent with our goal of economically efficient pricing.

The Commission is also cognizant that USWC and GTE dispute the manner in which costs were calculated in docket UM 773. We also understand that the utilities may seek approval of revised cost studies at some point in the future. In the meantime, however, we have determined that the TSLRIC cost estimates approved in docket UM 773 are reasonable and should be utilized for purposes of developing building block prices.⁸

At the same time, we do not believe it is appropriate to reduce the NAC markup to the level that the Joint Commenters recommend. While the contribution to joint and common costs authorized in this order is greater than that approved in Order No. 96-188, it is not unreasonable to increase the NAC markup to a level commensurate with other building blocks. Our calculations indicate that competitive local exchange carriers (CLECs) should have no trouble competing for business customers with ILEC local exchange offerings under the NAC rates we have authorized, even without taking into account the FCC decision regarding the SLC.⁹ As we have emphasized, we will monitor purchases of network elements to determine if the prices approved in this order generate significant NAC purchases. Based on our continuing review of market conditions, the Commission may reevaluate pricing determinations, including the building block markups authorized in this order.

Switching building blocks. The switching building blocks include tandem switching, end office originating, end office terminating, and end office per minute intraoffice. The UM 773 cost studies produced a substantial decrease in the cost of these building blocks.

⁷ Under ORS 759.050(5), the price of a service offered by a telecommunications utility within a competitive zone may not be less than the TSLRIC of the nonessential functions and the *price* of the essential functions necessary to supply the service. The Commission has held that NACs are essential functions. *See e.g.*, Order Nos. 94-1851 and 95-313. We have also designated all USWC and GTE exchanges as competitive zones. Thus, if USWC (or GTE) sells NACs to competitors for \$16.00, it must impute the same price into all USWC services using the NAC. USWC's (or GTE's) competitive position *vis a vis* competitors is unaffected since they must pay the same price for the NAC.

⁸The Commission is also aware that the NAC prices--which are based on USWC cost estimates--will apply to GTE. This issue has been addressed at length in prior decisions. *See* Order No. 96-283 at 8-10; Order No. 97-021 at 10-12. Notwithstanding recent claims to the contrary, GTE agreed that USWC cost data should be used to calculate building block prices until such time as alternative cost estimates are approved for GTE. There is no basis for concluding that using USWC data will produce an unreasonable result for GTE, particularly in view of the significant building block markup authorized in this order.

⁹Because the Commission does not have information regarding the markup required by new entrants to profitably provide telecommunications services, the amount of building block purchases and level of competition is difficult to predict. However, our calculations do show that the sum of the building block prices necessary to reproduce complex business service (including a markup equivalent to that authorized in this order), produces a sum less than USWC's existing tariff rate for complex business service. There are other factors, however, that may influence the level of competition, including potential nonrecurring charges imposed on new entrants and changes in ILEC tariff rates due to regulatory action or ILEC pricing flexibility.

Residential service is a different matter. Although the current residential service rate (including the SLC) exceeds the cost of supplying that service on average, it does not meet the imputation test. In other words, the total price of the building blocks which comprise residential service is more than the existing tariff rate for that service. Such a result is permitted under ORS 759.050(5)(b), but may force new entrants to resort to resale as a means of marketing residential service, unless they are somehow able to self-supply or purchase the necessary building blocks at a lower cost. We expect this situation will resolve itself over time once deaveraging and universal service funding issues have been fully considered.

USWC proposes to leave switching building block prices unchanged from the levels authorized in Order 96-283 in UM 351. USWC recommends that the Commission should use caution before reducing switching building block rates because of changes that may result from switched access reform at the federal level. USWC further maintains that the average markup proposed by Staff will cause a dramatic revenue shift from access to local exchange customers. USWC's proposed markup on switching building blocks ranges from ****D**** over the UM 773 costs.

In its opening comments, Staff proposed that its average markup apply to all switching building blocks. The recommendation reflected both the significant reduction in switching costs resulting from docket UM 773 and a lower markup from that authorized in docket UM 351. In its reply comments, Staff revised its recommendation and proposed a ****E**** markup over the UM 773 costs. In support of the change, Staff agrees that the switching rates produced by its average markup are much lower than the rates in USWC's current switched access tariff. Staff desires to avoid undue disruptions that may occur from a substantial rate reduction.

The Joint Commenters recommend that switching building blocks should have a markup of less than 10 percent. They maintain that switching building blocks are essential for transport and termination of intercarrier traffic and that Commission-approved prices should convey proper price signals, particularly where minute of use compensation arrangements exist.

The Commission concludes that the switching building blocks should have the same markup as the other building blocks authorized in this order. As noted above, it is desirable to maintain a consistent price to cost relationship between building blocks. The current markup for switching building blocks is substantially greater than that of other building blocks and far more than necessary to produce a reasonable contribution to joint and common costs.

We recognize that the switching prices authorized in this order are significantly less than the building block rates authorized in docket UM 351. As USWC states, lower priced switching building blocks may cause interexchange carriers to purchase building blocks instead of bundled toll access services. However, the extent to which such substitution may occur, and any associated revenue impacts, cannot be determined with any degree of accuracy because of the many variables involved.¹⁰ We agree with Staff that:

[A]n interexchange carrier could replace bundled toll access services with unbundled building blocks, but there is an important proviso. When building blocks are used for toll access, the carriers must pay additional Carrier Common Line (CCL) and Oregon Customer Access Fund (OCAF) rate elements.¹¹

¹⁰USWC's current Feature Group D end office switching rate is 351 percent higher than the price produced for the End Office Per Minute Terminating building block under Staff's proposed average markup. If carriers substitute building blocks for USWC's switched access product, and all other variables remain constant, USWC would experience a revenue reduction. The same would be true if USWC reduced Feature Group D rates in response to lower prices for switching building blocks and the demand for switching proved to be inelastic. As noted in this order however, both of these scenarios require the Commission to speculate regarding the market response to changes in building block rates. Furthermore, any revenue change experienced by USWC or GTE as a result of carriers substituting building blocks must be viewed in context of the overall revenue need of the utility. USWC is currently in the midst of a rate proceeding to determine its revenue requirement and rate design for bundled services. GTE is expected to file a rate case within the next few months.

¹¹Pursuant to 47 C.F.R. §51.515(c) promulgated by the FCC in Order 96-325, an incumbent LEC may not assess a CCL on intrastate access minutes after June 30, 1997. However, 47 C.F.R. §51.515(c) has been stayed by the United States Court of Appeals, Eighth Circuit. *Iowa Utilities Board v. Federal Communications Commission et al.*, Case Nos. 96-3321 et seq. (8th Cir., October 15, 1996) (Order Granting Stay Pending Judicial Review).

* * * * *

Even though interexchange carriers would be obliged to pay the CCL and OCAF rate elements for toll access, the rate differences between bundled switching and switching under building blocks suggests that interexchange carriers would shift some demand from Feature Group D to building blocks. Yet, how much? To what degree would growth in demand offset the impact of lower rates? Moreover, differences between recurring rate levels do not alone tell the story. Ordering from unbundled tariffs will likely be more difficult and possibly more costly in terms of nonrecurring charges. One should also realize that interexchange carriers operate nationally and therefore will likely make purchasing decisions on a national or regional scale. Staff expects some revenue shift, but Staff doubts that even substantially lower building block rates in Oregon for toll access will be sufficient to cause a massive and rapid revenue shift to building block services, especially when the CCL and OCAF rate elements still apply and building blocks are limited to Oregon intrastate traffic.

The Commission addressed the revenue shift/revenue loss question in Order No. 96-283 at page 6:

[T]he revenue loss scenarios advanced by the LECs incorporate numerous assumptions regarding the timing and rate of competitive entry, the number and type of product offerings, customer willingness to change carriers, and changes in the overall demand for telecommunications services. We do not think it is productive to engage in such speculation, especially when competition for many services has not even begun. In the event of a significant impact on revenues, a LEC may seek immediate revenue relief in the form of an interim rate increase.

Other Issues.

Cost Estimates. USWC and Staff disagree on the underlying cost estimates for the following building blocks:

- (a) In the case of the Basic NAC (2-wire), Basic NAC (4-wire) and ISDN NAC, USWC substituted its own cost estimates for the TSLRIC estimates approved by the Commission in docket UM 773. The Commission agrees with Staff that UM 773 costs should be used to calculate building block prices.
- (b) USWC calculated the cost of the NACC DS0-Dedicated building block based on a four-wire cost. Staff recommends using a two-wire cost, thereby allowing a carrier to purchase either the two-wire NACC DS0-Dedicated building block or the four-wire NACC DS1-Dedicated building block based on the specific cost of each option. Staff's approach is reasonable and is adopted.
- (c) USWC calculated the cost of the NACC ISDN building block by including usage and billing costs. We agree with Staff that USWC's approach should be rejected because such costs are already included in the switching and billing building block costs.
- (d) USWC and Staff agree that the costs listed in Confidential Attachment A of USWC's opening comments for the NACC DS1-Dedicated, NACC DS3-Dedicated, Cross Connection DS0, and Data Channel Terminating Equipment building blocks are correct and should be approved. The Commission agrees.

Transport Termination Switched Building Blocks. USWC proposes to retain the rates established in Order No. 96-283 for the Transport Termination Switched Building Blocks. Staff points out, however, that prices approved in Order No. 96-283 are below the TSLRIC costs approved in docket UM 773. The Commission agrees with Staff that building block prices must be set above cost. The prices for these building blocks should be based on the average markup approved in this order.

DS3 NAC Price. In its opening comments, USWC argued that the DS3 NAC building block should have a substantial markup to prevent a dramatic increase in the demand of the fiber facilities that USWC would have to install to supply those facilities. USWC's proposed \$852.61 price represented a ****F**** markup over TSLRIC and was designed to suppress DS3 demand. Staff and the Joint Commenters disagreed with USWC's proposed price.

In its reply comments, USWC reduced the DS3 NAC markup to its proposed average markup of ****G****. This reduced the DS3 NAC price from \$892.61 to \$396.18. USWC states, however, that it will only supply DS3 NACs where there are existing fiber facilities with available capacity.

The Commission finds that the average markup proposed by Staff should also apply to DS3 NACs. This produces a rate of \$363.42, which we find reasonable.¹² We disagree with USWC's statement that it will only provide DS3 NACs where there are existing fiber facilities with available capacity. The incremental cost of building blocks incorporates the cost of placing additional capacity. Thus, the DS3 NAC building block rate already includes the investment cost associated with placing new DS3 facilities.

¹²This produces a cross-over point of 4.2. In other words, a carrier would have to buy 4.2 DS1 NACs before it is economical to buy a DS3 fiber NAC.

ORDER

IT IS ORDERED that:

1. The building block prices approved in Order No. 96-283, Revised Appendix C, shall be revised as set forth in Appendix C of this order.
2. USWC and GTE shall file tariffs in accordance with the building block rates set forth in Appendix C of this order.

Made, entered, and effective _____.

Roger Hamilton
Chairman

Ron Eachus
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. An application for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order and must comply with the requirements in OAR 860-014-0095. A copy of any such application must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to ORS 756.580.

ORDER NO. 97-239

CONFIDENTIAL APPENDICES A & B ARE AVAILABLE
PURSUANT TO THE TERMS OF THE PROTECTIVE ORDER
(ORDER NO. 97-188) ISSUED IN THIS PROCEEDING.

			UM 844
	UM 351	UM 844	CHANGE
BUILDING BLOCKS	RATE	RATE	FROM
			UM 351
NETWORK ACCESS CHANNEL NAC			
BASIC NAC 2-wire	16.00	15.00	1.00
ISDN NAC	16.00	15.00	1.00
BASIC NAC 4 wire	32.00	30.00	2.00
DS1 AND PRIMARY ISDN NAC	56.05	87.37	31.32
DS3 NAC	308.66	363.42	54.76
NETWORK ACCESS CHANNEL CONNECTION			
JUMPER NAC DSO 2-wire	0.47	0.12	0.35
JUMPER NAC DS1 4- wire	0.47	1.01	0.54
JUMPER NAC DS3 Electrical	5.25	5.21	0.04
JUMPER NAC DS3 Optical Fiber	5.25	7.54	2.29
NACC DS-O SWITCHED LINESIDE	1.20	1.14	0.06
NACC DS-O SWITCHED TRUNKSIDE	1.20	12.33	11.13
NACC DS-O DEDICATED	0.21	0.12	0.09
NACC DS-1 SWITCHED LINESIDE	44.28	68.60	24.33
NACC DS-1 SWITCHED TRUNKSIDE	44.28	78.24	33.97
NACC DS-1 DEDICATED	0.21	0.44	0.23
NACC DS-3 DEDICATED	0.84	3.05	2.21
NACC ISDN	1.20	6.09	4.89
NACC FRAME RELAY	0.25	0.25	0.0
NACC SMDS	0.85	0.85	0.00
NACC ISDN EXT > 18K	22.91	23.54	0.63

APPENDIX C

PAGE 2

			UM 844
	UM 351	UM 844	CHANGE
BUILDING BLOCKS	RATE	RATE	FROM
			UM 351
INTERCONNECTION BUILDING BLOCKS			
DISTRIBUTING FRAME TERM 2-WIRE	0.20	0.40	0.20
DISTRIBUTING FRAME TERM 4-WIRE	0.40	0.81	0.41
CROSS CONNECTION DS-0	0.21	0.81	0.60
CROSS CONNECTION DS-1	0.21	5.04	4.83
CROSS CONNECTION DS-3	0.84	15.57	14.74
MULTIPLEXING DS-1 TO DS-0	152.89	212.76	59.87
MULTIPLEXING DS-3 TO DS-1	188.69	203.54	14.86
DATA CHANNEL TERMINATING EQUIPMENT	0.56	1.88	1.31
SWITCHING			
TANDEM SWITCHING PER MINUTE	0.003330	0.001596	0.001867
END OFFICE SWITCHING PER MIN ORIG 1	0.005000	0.001463	0.003670
END OFFICE SWITCHING PER MIN TERM 1	0.005000	0.001330	0.003670
END OFFICE SWITCHING PER MIN INTRA OFFICE 1	0.005000	0.001330	0.003670
1 In addition, the CCL will continue to be charged to			
telecommunications carriers for all intrastate originating			
and terminatin toll/access minutes of use and the			
OCAF rate will continue to be applied to			
all intrastate			
terminating-rated CCL toll/access minutes.			

			UM 844
	UM 351	UM 844	CHANGE
BUILDING BLOCKS	RATE	RATE	FROM
			UM 351
INTEROFFICE TRANSPORT BUILDING BLOCKS			
TRANSPORT TERMINATION SWITCHED /0 per minute	0.00	0.00	0.000000
TRANSPORT TERMINATION SWITCHED /0-8	0.000182	0.000372	0.000190
TRANSPORT TERMINATION SWITCHED /8-25	0.000191	0.000372	0.000181
TRANSPORT TERMINATION SWITCHED /25-50 "	0.000193	0.000372	0.000179
TRANSPORT TERMINATION SWITCHED /50+	0.000212	0.000372	0.000160
TRANSPORT FACILITIES COMMON /0	- 0.000000	0.000000	0.000000
TRANSPORT FACILITIES COMMON /0-8 per minute-mile	0.000026	0.000005	0.000021
TRANSPORT FACILITIES COMMON /8-25 "	0.000037	0.000007	0.000030
TRANSPORT FACILITIES COMMON /25-50 "	0.000046	0.000008	0.000038
TRANSPORT FACILITIES COMMON /50+ " If	0.000024	0.600012	0.000012
TRANSPORT TERMINATION DEDICATED DSO - - per termination	17.85	19.74	1.89
TRANSPORT TERMINATION DEDICATED DSI - - per termination	29.90	37.94	8.05
TRANSPORT TERMINATION DEDICATED DS3 - - et termination	287.00	253.13	33.87
TRANSPORT FAC DEDICATED DSO /0 per mile	0.00	0.00	0.000
TRANSPORT FAC DEDICATED DSO /0-8 " "	0.13	0.09	0.037
TRANSPORT FAC DEDICATED DSO /8-25 " "	0.15	0.08	0.070
TRANSPORT FAC DEDICATED DSO /25-50 " "	0.13	0.11	0.024
TRANSPORT FAC DEDICATED DSO 150+ " "	0.13	0.08	0.050
TRANSPORT FAC DEDICATED DS1 /0 per mile	0.00	0.00	0.00
TRANSPORT FAC DEDICATED DS1 /0-8 " "	2.61	0.49	2.12
TRANSPORT FAC DEDICATED DS1 /8-25 " "	3.60	0.85	2.75
TRANSPORT FAC DEDICATED DS1 /25-50 " "	2.67	.1.16	1.51
TRANSPORT FAC DEDICATED DS1 /50+ " "	3.03	1.17	1.86

TRANSPORT FAC DEDICATED DS3 /0 per mile	0.00	0.00	0.00
TRANSPORT FAC DEDICATED DS3 /0-8 " "	73.02	<u>9.95</u>	<u>63.07</u>
TRANSPORT FAC DEDICATED DS3 18-25 " "	100.00	10.19	89.8_1
TRANSPORT FAC DEDICATED DS3 /25-50 " "	73.00	14.27	58.73
TRANSPORT FAC DEDICATED DS3 /50+ " "	79.82	21.11	-
			(58.71)

	UM 351	UM 844	UM 844
			CHANGE
ING BLOCKS	RATE	RATE	FROM
			UM 351
FEATURE BUILDING BLOCKS			
WAITING	0.07	0.11	0.0409
FORWARD BUSY LINE	0.19	0.25	0.0684
FORWARD DONT ANSWER	0.19	0.18	0.0029
FORWARD BUSY / DON? ANSWER - CENTREX	0.17	0.35	0.1812
FORWARD VARIABLE	0.07	0.12	0.0421
CALL LONG	0.07	0.06	0.0165
CALL SHORT	0.07	0.06	0.0167
WAY CALLING	0.13	0.12	0.0126
ING - CENTREX	0.07	0.05	0.0200
TRANSFER	0.37	0.31	0.0556
OLD - CENTREX	0.00	0.05	0.0515
CK UP	0.07	0.06	0.0177
CTIVE RINGING	0.09	0.08	0.0172
E - CENTREX	0.30	0.10	0.1963
LINE	0.07	0.07	0.0000
ING NAME AND NUMBER DELIVERY	1.37	0.25	1.1197
ING NUMBER DELIVERY	1.37	0.08	1.2898
ING NAME DELIVERY	1.37	0.17	1.1959
ING NUMBER DELIVERY BLOCKING	0.00	0.00	0.0000
UOUS REDIAL	1.54	0.99	0.5457
NUMBER ORIGINATED TRACE	0.91	0.91	0.0000
CALL RETURN	3.00	0.24	2.7614
Y CALLING	1.96	0.74	1.2131
CTIVE CALL FORWARDING	2.19	0.62	1.5647
CTIVE CALL REJECTION	2.20	1.28	0.9234
EX STANDARD FEATURES	4.29	2.46	(1.8315)

OM 6	0.83	0.83	0.0000
OM 30	1.80	1.80	0.0000
FACILITY INTERFACE	0.61	52.16	51.5457
MESSAGING	6.95	6.95	0.0000
SWERING - CENTREX	8.00	8.00	0.0000

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			UM 844
	UM 351	UM 844	CHANGE
BUILDING BLOCKS	RATE	RATE	FROM
			UM 351
CHANNEL PERFORMANCE AND BUILDING BLOCKS			
CP LS Control Status Channel	20.20	6.18	14.02
CP LS McCulloh Alarm-Type	6.76	3.17	3.60
CP LS DC Channel	1.26	0.00	1:26
CP LS Telegraph 0-75 Baud	0.32	10.27	20.05
CP LS Telegraph 0-150 Baud	22.55	11.20	11.35
CP LS McCulloh Bridging per Port	5.00	0.16	4.84
CP LS Telegraph Bridging 0-75 Baud	9.03	13.97	4.94
CP VG2 Code Select Rin down	13.73	17.54	3.81
CP VG2 Manual Ringdown	25.23	20.59	4.64
CP VG2 Loo Start Signaling - Type LA	18.08	9.40	8.67
CP VG2 Loo Start Signaling - T We LB	16.46	6.53	9.93
CP VG2 Loo Start Si nafn - Type LC	15.88	6.80	9.09
CP VG2 Loo Start Signaling - Type LO	7.38	4.48	2.90
CP VG2 Auto Kin down	9.89	11.73	1.84
CP VG2 Loo Start Si afin - Type LS	11.77	10.65	1.12
CP VG2 No Si nalin	9.99	6.93	3.06
CP VG3 E M Signaling	24.16	16.03	8.14
CP VG3 Ground Start Signaling	8.18	13.30	5.12
CP VG5 Data Stream	17.39	8.79	8.60
CP VG Basic - No Si nafn	3.16	2.51	0.65
CP VG Res Bridging (Voice) 2 Wire	6.86	4.02	2.84
CP VG Res Bridging Data 2-Wire	6.53	4.02	2.51
CP VG Res Bridging (Voice/Data) 4-Wire	11.58	4.43	.15
bP VG C Conditionin	2.00	0.64	1.36
CP VG Data Ca abif	0.00	0.00	0.00
CP VG Improved Attenuation Distortion	0.00	0.00	0.00
CP VG Effective 4-Wire Transmission	4.32	7.26	2.94
CP Local Area Data Service LADS	2.80	_0.00	2.80
CP DIGITAL DATA SERVICE 2.4 kb s	24.15	13.31	10.84
CP DIGITAL DATA SERVICE 4.8 kb s	24.15	10.92	13.23
CP DIGITAL DATA SERVICE 9.6 kb s	24.15	10.92_	13.23
CP DIGITAL DATA SERVICE 56 kb s	24.15	10.92	13.23
CP DIGITAL DATA SERVICE 64 kb s	25.06	12.79	12.2
CP DD Central Office Bridging	2.28	2.31	0.04

CP DD Public Packet Switchin Network	8.65	8.67	0.02
56 Kb s -1 PVC	22.23	22.23	0.00
1.544 Mb s - 2 PVCs	255.29	255.29	0.00

			UM 844
	UM 351	UM 844	CHANGE
BUILDING BLOCKS	RATE	RATE	FROM
			UM 351
ANCILLARY SERVICE BUILDING BLOCKS			
Measurement Polling Per Minute	0.0019	0.0001	0.0017
Billing & Collections IAB Access	Existing tariff rates	Existing tariff rates	
Billing & Collections CRIS MTSILocal	Existing tariff rates	Existing tariff rates	
Billing & Collections CRIS ATS/800	Existing tariff rates	Existing tariff rates	
Billing & Collections Loo Weighted	0.75	0.70	0.0451
Customer ID Charge 800	0.00	0.00	0.0000
Operator Service Ch - Basic Calling Card	0.50	0.24	0.2619
Operator Service Charges - Station (Ind. Connect to DA	1.3	0.46	0.8163
Operator Service Charges - Person	3.00	2.07	0.9263
Operator Service Ch - Bus Line Verify	1.40	0.67	0.7292
Operator Service Ch - Bu Line Interrupt	1.68	0.82	0.8610
Directory Assistance	0.57	0.33	0.2410
Main Directory Listin s each	0.24	0.11	0.1323
Premium Listings	0.26	0.14	0.1197
Private Listin s	0.0037	0.09	0.0878
Information and Billing Services Data	0.04	0.04	0.0000
ENHANCED 911 BUILDING BLOCKS			
Enhanced 911 - Code Reco nition	10.30	10.30	0.0000
Enhanced 911 - Automatic Number ID	21.71	21.71	0.0000
Enhanced 911 - ALI	10.02	10.02	0.0000
Enhanced 911- ALI/Selective Routin	10.13	10.13	0.0000
Selective Routin Incoming Trunk	28.07	28.07	0.0000
Selective Routing Outgoing Trunk	33.27	33.27	0.0000
Enhanced 911 - ALI Node Port	133.92	- x133.92	0.0000