

APPENDICES

APPENDIX A

Texas Universal Service Fund

Project No. 21162

Project to Establish Procedures for Providing USF Support for Schools Pursuant to PURA §56.028

Adopted 9/23/99

Request for information and comments (9/8/99) and Order Establishing Interim Procedures for the Disbursement of Texas Universal Service Funds Pursuant to PURA §56.028 (10/4/99)

The purpose of this project was to establish an interim procedure for small and rural incumbent local exchange companies (SRILECs) to receive Texas Universal Service Funds (TUSF) pursuant to PURA §56.028 relating to universal service fund reimbursements for certain intralata service. The SRILECs are able to receive funds through a **permanent** mechanism implemented upon adoption of new P.U.C. Subst. R. §26.410 in Project No. 21163.

Project No. 21163

Rulemaking to Amend the Texas Universal Service Fund Rules to Comply with SB 560

PURA, §§ 56.021, 56.023, 56.024, 56.026, 56.028, and 56.072

Adopted 4/00

The purpose of this project was to amend the Texas Universal Service Fund (TUSF) rules to comply with SB 560. The Commission adopted amendments to P.U.C. Subst. R. 26.401, 26.403, 26.404, 26.413, 26.414, 26.415, 26.417, and 26.418 and new §26.410 relating to the TUSF. These revisions affect all telecommunications carriers who receive TUSF support. The revisions include adding the method used to determine support allocation when unbundled network elements (UNEs) are used to provision service, clarify discounts that are applied to certain services, and establish the circumstances in which an eligible telecommunications provider (ETP) designation can be relinquished. These activities were allowed in Project No. 21162

Affiliate Issues

Project No. 21164

Rulemaking to Address Affiliate Issues for Telecommunications Service Providers Pursuant to PURA §§54.102, 60.164, 60.165
Adopted 8-24-00

This project addresses the structural and transactional requirements for a holder of a CCN and its affiliated telecommunications service providers applying for or holding a COA or SPCOA. Staff published initial questions and received comments on January 18, 2000. A public workshop was held January 23, 2000 on staffs proposed **strawman** rule. Parties filed post-workshop comments on March 3, 2000. After evaluating the parties' comments, staff decided to merge this project with Project No. 2 1165 and consider all affiliate matters concurrently. Staff issued revised questions on June 9, 2000

Review

Project No. 21160

Rulemaking to Address PURA Chapter 59 Withdrawal of Election and Switched Access Rates
PURA, Sections 59.021, 59.024, and 59.025

PROJECT MERGED WITH PROJECT NO. 21169

Project No. 21169

Review of/Substantive Rules to Conform to SB 560

Adopted /

The purpose of this project is intended to make minor conforming changes to those PUC Substantive Rules that, although affected by the changes to PURA created with SB 560, were not sufficiently affected as to require the initiation of separate rulemaking projects.

Publication of the first of two sets of proposed rule changes was delayed to coordinate with the publication of several rules relating to Chapter 58, Incentive Regulation. The first set, containing additions and modifications to Subst. R. 26.5, Definitions, was published in May 2000 and adopted in September 2000. The second set, containing minor conforming changes to Subst. R. 26.274, Imputation, was published in September 2000; adoption is expected in late November 2000.

Workforce Diversity

Project No. 21170

Compliance Proceeding for Utilities' 5-Year Plan to Enhance Workforce Diversity

PURA, Section 52.256

Filings received 1 /1/00

This project established a mechanism for telecommunications utilities to file workforce diversity plans as established in SB 560.

Project No. 22166

Rulemaking to Establish Procedures for Telecommunication Utilities' Annual Report of Workforce Diversity

Adopted 6/00

The purpose of this project is to develop a rule that will establish procedures for telecommunications utilities to comply with the new reporting requirement regarding workforce diversity. Project was adopted June 2000.

Dark Fiber

Project No. 21171

Rulemaking to Address Municipalities or Certain Municipal Electric Systems Leasing Excess Capacity of Fiber Optic Cable Facilities

PURA, Section 54.2025

Workshop held on 1/24/00. Project closed July 17, 2000

This project addressed PURA §54.2025, which provides that a municipality, or certain municipal electric systems may lease excess capacity of fiber optic cable facilities (dark fiber), so long it is done on a nondiscriminatory, nonpreferential basis. A rule was not necessary at this time. Disputes will be handled on a case-by-case basis.

CLEC Access Charges

Project No. 21174

Rulemaking to Address COA/SPCOA Switched Access Rates

PURA, Section 52.155

Adopted 6/00

The purpose of this project was to address COA/SPCOA switched access rates. The project will establish procedures for the Commission's review of switched access rates in excess of the rates charged by the territory's CCN holder.

Telecom Bill Simplification

Project No. 22130

Rulemaking to Implement **PURA 955.012, Relating to Telecommunications Bill Format**

Adopted 7/00

This project, which was split off from Project No. 21423, Telephone Customer Protection Standards, revised ~~SUBST.~~ R. 26.25, Issuance and Format of Bills, to implement the new PURA §55.012. The new PURA provision calls for LECs to issue simplified, easy-to-understand bills for local exchange telephone service. To the extent permitted by law, such bills are to include aggregate charges for each of the following: (1) basic local service (charges and fees), (2) optional services, and (3) taxes.

New P.U.C. SUBST. R. 26.25, which replaces the previous version of SUBST. R. 26.25, requires certificated telecommunications utilities (CTUs) (telecommunication utility holder of a CCN, COA, or SPCOA) to comply with minimum bill information and format guidelines, and to clarify information disseminated to residential customers in order to reduce complaints of slamming and cramming. New §26.25 implements these requirements pursuant to the mandates set forth in the Public Utility Regulatory Act (PURA), most particularly in §55.012, Telecommunications Billing, but also in PURA § 17.003(c) and § 17.004(a)(8), and in the Federal Communications Commission's (FCC's) Truth-in-Billing rules (47 C.F.R. §64.2000 and §64.2001 (1999)). PURA § 55.012, Telecommunications Billing, called on local exchange carriers (LECs) to issue simplified, easily understood bills for local service. PURA § 55.012(c) stated that to the extent allowed by law, such bills are to include aggregate charges for each of the following: (1) basic local service, (2) optional services, and (3) taxes.

The new rule is necessary to decrease the confusion associated with the proliferation of charges on residential customers' telephone bills for separate services and products and of related surcharges, fees, and taxes.

Matters of significant importance included the following:

- whether the rule should apply in its entirety to all CTUs, or just all LECs (which by PURA definition include holders of a CCN or a COA, but not holders of an SPCOA). The adopted rule applies to all CTUs;
- exactly what information should be required to appear on the first page of a residential customer's bill. This was the biggest area of interest; the adopted rule is considerably less prescriptive in this regard than was the version published for comment. The adopted rule requires only that the first page include the grand total due for all services billed, the payment due date, and a notification of any change in service provider. Also, CLECS took the position that differentiation in a competitive market is one standard for choosing formatting for bills;

- what the required compliance date should be for implementing the mandated changes. The adopted rule requires compliance within six months of the effective date, meaning February 15, 2001.
- whether CTUs could issue bills solely over the Internet. The adopted rule requires that a residential customer receive his/her bill via the United States mail, “unless the customer agrees with the CTU to receive a bill through different means, such as electronically via the Internet.” As explained in the rule preamble, this language allows the holder of an SPCOA, but not a holder of a CCN or a COA, from promoting itself as a company that bills over the Internet only;
- whether surcharges imposed on a percentage-of-revenue basis could be included only in the basic local subtotal, or would have to be prorated between basic local service and optional services. The adopted rule permits the CTU either to include the portion of such surcharges related to local service in the basic local subtotal or to allocate that portion between basic local service and optional local services on a proportionate basis;
- whether to require the itemization (in dollars and cents) of surcharges included in the subtotals for basic local service and optional services. The adopted rule allows the CTU discretion on this matter; however, if the specific amount of each assessment is not shown on the bill, the CTU must clearly indicate on the bill a toll-free method, including a toll-free number, by which the customer may obtain information regarding the amount and method of calculation of each surcharge; and
- whether to require a specific statement on the bill of the amount the customer must pay to avoid having his/her basic local service disconnected. The adopted rule does not require such a statement; instead, it requires the CTU to clearly and conspicuously identify on the bill those charges for which non-payment will not result in disconnection of basic local service, or to clearly and conspicuously identify on the bill those charges for which non-payment will result in disconnection of basic local service. As noted in the preamble, a specific statement of the amount the customer must pay to avoid disconnection will suffice for this purpose; it is also required by P.U.C. SUBST. R. 26.28 to be included in any disconnection notice sent to a residential customer.

IXC Flow Through Charges

Project No. 21172

Declaratory Order to address interexchange carriers access charge reduction pass-through filings.

Adopted 9-7-99

In this proceeding the Commission established Sworn Affidavits of Completion as the mechanism for interexchange carriers to fulfill the requirements of PURA 52.112, which relates to reduction pass-through requirements. The specific minute of use **data**

submitted and sworn to in the affidavits is considered highly confidential information by the IXC's. The Declaratory Order was issued in September 1999 covering USF Dockets 185 15 and 185 16, and PURA Section 58.301, which relates to switched access rate reduction.

Project No. 21173

Compliance project to address interexchange carriers access charge reduction pass-through filings.

In this proceeding initial access pass through filings were submitted by AT&T, MCI Worldcom and Sprint (March 1, 2000) covering access reductions for the period beginning September 1, 1999. Supplemental filings of additional information were submitted in early April of 2000.

A review of information submitted by AT&T, MCI Worldcom and Sprint indicates reductions to Basic Rate Schedules as high as \$0.05 per minute for intrastate long distance calls. Additionally, the affidavits indicated that residential subscribers received their proportionate share of switched access reductions in compliance with the requirements of PURA.

SWB Access Charge Reductions

Project No. 21184

Southwestern Bell Telephone Company notice of intent to file amended tariff sheets to implement reductions in its switched access service tariff in compliance with SB 560.

Adopted 9-1-99

PURA Section 58.301(1) indicates that, effective September 1, 1999, an electing company with greater than five million access lines in the state shall reduce its switched access rates on a combined originating and terminating basis by one cent a minute. In this proceeding **SWBT** proposed implementing the one-cent reduction required by Section 5 8.30 1(1) by eliminating the one-cent Originating Residual Interconnection Charge (RIC) remaining after the Second Interim Order in Docket No. 185 15. The commission approved the application after consideration of the comments from all of the parties involved in the proceeding.

Project No. 22302

Application of Southwestern Bell Telephone company for approval of switched access service rate reduction pursuant to PURA §58.301(2)

Adopted 7/6/00

New PURA Section 58.301(2) indicates that, by no later than July 1, 2000 an electing company with greater than five million access lines in the state shall reduce its switched access rates on a combined originating and terminating basis by two cents a minute.

In this proceeding SWBT proposed implementing the one-cent reduction required by Section 58.301(1) by reducing the Terminating Carrier Common Line Charge (CCL) by two cents. The commission approved the application after an analysis of prior access reductions and no protest from the parties involved in the proceeding.

Project No. 21158

Compliance Project to Implement Switched Access Rates Reductions

PURA, Section 58.301

Initiated 7/27/99

This project was set up for the reductions described in the above projects. This project was not used. The 1 cent reduction was implemented under Project No. 21184, and the 2 cent reduction was implemented in Project No. 22302.

Chapters 52, 58 & 59 Pricing Flexibility

At the September 7, 2000 open meeting, the commission adopted seven new rules that implement provisions of Senate Bill 560. Additionally, the commission repealed two existing rules made obsolete by adoption of the new rules.

Project No. 21156

Requirements Applicable to Basic Network Services for Chapter 58 Electing Companies

Adopted 9/7/00

New Subst. R. 26.224 *Requirements Applicable to Basic Network Services for Chapter 58 Electing Companies*, sets forth the procedural and substantive requirements for changing the rates of basic network services. The rule affects Chapter 58 electing companies. Through the adoption of Subst. R. 26.224, the commission made its rules consistent with PURA regarding the realignment from 3 baskets to two (basic and non-basic), and clarified the standards and procedures required of Chapter 58 electing companies for offering basic network services to customers.

Project No. 21157

Requirements Applicable to Nonbasic Services for Chapter 58 Electing Companies, Adopted 9/7/00

New Subst. R. 26.225 *Requirements Applicable to Nonbasic Services for Chapter 58 Electing Companies*, establishes the substantive requirements relating to nonbasic services, including new services. The rule affects Chapter 58 electing companies. Through the adoption of Subst. R. 26.225, the commission made its rules consistent with PURA and clarified the standards required of Chapter 58 electing companies for offering nonbasic services to customers.

Project No. 21155

**Requirements Applicable to Pricing Flexibility for Chapter 58 Electing Companies
Adopted 9/7/00**

New Subst. R. 26.226 Requirements Applicable to Pricing Flexibility for Chapter 58 Electing Companies, sets forth the substantive requirements related to pricing flexibility. The rule affects Chapter 58 electing companies. Through the adoption of Subst. R. 26.226, the commission made its rules consistent with PURA and clarified the standards required of Chapter 58 electing companies for exercising pricing flexibility

Project No. 21161

**Procedures Applicable to Nonbasic Services and Pricing Flexibility for Basic and Nonbasic Services for Chapter 58 Electing Companies
Adopted 9/7/00**

New Subst. R. 26.227 Procedures Applicable to Nonbasic Services and Pricing Flexibility for Basic and Nonbasic Services for Chapter 58 Electing Companies, sets forth the procedural requirements for nonbasic services and pricing flexibility. The rule affects Chapter 58 electing companies. Through adoption of Subst. R. 24.227, the commission implemented a procedure necessary to allow for an efficient and timely review of service offerings and established a complaint process contemplated by Senate Bill 560 in connection with information notice filings.

Project No. 21156

**Procedures Applicable to Chapter 58 Electing Incumbent Local Exchange Companies and Telecommunications Pricing.
Adopted 9/7/00**

Repeal of Subst. R. 26.212, *Procedures Applicable to Chapter 58 Electing Incumbent Local Exchange Companies* and Subst. R. 26.213, *Telecommunications Pricing*. These rules are no longer necessary because of the changes mandated by SB 560 and Subst. Rules 26.224, 26.225, 26.226, and 26.227.

Project No. 21159

**Long Run Incremental Cost (LRIC) Methodology for Services provided by Certain Incumbent Local Exchange Carriers (ILECs)
Adopted 9/7/00**

New Subst. R. 26.214 Long Run Incremental Cost (LRIC) Methodology for Services provided by Certain Incumbent Local Exchange Carriers (ILECs), sets forth the substantive and procedural requirements for LRIC studies filed by Chapter 52 companies and Chapter 59 electing companies. Through the adoption of Subst. R. 26.214, the commission made its rules consistent with PURA and clarified the standards required of

Chapter 52 companies and Chapter 59 electing companies for submitting LRIC studies to the commission.

Project No. 21159
Requirements Applicable to Chapter 52 Companies
Adopted 9/7/00

New Subst. R. 26.228 *Requirements Applicable to Chapter 52 Companies*, sets forth the substantive and procedural requirements regarding new services, pricing and packaging flexibility, customer promotional offerings, and customer specific contracts. The rule affects companies regulated under PURA, Chapter 52. Through the adoption of Subst. R. 26.228, the commission made its rules consistent with PURA and clarified the standards and procedures applicable to companies regulated under PURA, Chapter 52

Project No. 21159
Requirements Applicable to Chapter 59 Electing Companies
Adopted 9/7/00

Subst. R. 26.229 *Requirements Applicable to Chapter 59 Electing Companies*, sets forth the substantive and procedural requirements regarding new services, pricing and packaging flexibility, customer promotional offerings, and customer specific contracts. The rule affects companies that elect to be regulated under PURA, Chapter 59. Through the adoption of Subst. R. 26.229, the commission made its rules consistent with PURA and clarified the standards and procedures applicable to companies that elect to be regulated under PURA, Chapter 59 for exercising flexibility and offering new services.

Important Issues

There are two significant areas of importance in these rules. First, Subst. Rules 26.225, 26.226, 26.227, and 26.229 were proposed with an anticompetitive standard in the form of a rebuttable presumption that placed the burden of proof upon an electing company to show that the price of a service or package of services is not anticompetitive. Specifically, the rebuttable presumption stated that the price of a service or package of services is anticompetitive if it is lower than the sum of the total element long run incremental (TELRIC)-based wholesale prices of components needed to provide the service or package. The commission concluded that an anticompetitive standard is more appropriately developed on a case-by-case basis because a single rebuttable presumption may not adequately address the range of anticompetitive behaviors over which the commission has jurisdiction pursuant to PURA. The commission, therefore, deleted the rebuttable presumption from the adopted versions of the rules. However, the commission required incumbent LECs to furnish information, in their informational filing package, about the list of relevant TELRIC based wholesale and retail prices for the service or package being offered. An interested party may rely on this information to initiate a complaint regarding anti-competitive pricing by the incumbent LEC.

Second, Subst. Rules 26.226, 26.227, 26.228 and 26.229 were adopted by the commission with provisions that establish standards regarding the packaging and joint marketing of regulated services with unregulated products or services and/or with the products or services of an electing company's affiliate. Upon adoption, the provisions were expanded to obtain greater assurance regarding potential anticompetitive practices related to packaging and joint marketing.

Municipal Franchise

Project No. 20935

Rulemakings to Implement the Provisions of HB 1777 or Section 283 of the Local Government Code

26.461, Relating to Access Line Categories

Adopted 10/21/99

The provisions of this section apply to certificated telecommunication providers (CTPs), (defined as a person with a certificate of convenience and necessity, certificate of operation authority, or service provider certificate of operating authority to offer local exchange telephone service) and to municipalities in the State of Texas. HB 1777 required the Commission to establish no more than three categories of access lines. This section establishes three competitively neutral, non-discriminatory categories of access lines for statewide use in establishing a uniform method for compensating municipalities for the use of a public right-of-way by CTPs. CTPs urged the Commission to establish not more than one category for administrative simplicity. Municipalities, on the other hand, unanimously requested the Commission to establish three categories. The Commission adopted three categories as it would offer Texas cities maximum flexibility to design municipal rates for their citizens. The three categories would also allow cities to establish a lower rates for residential users compared to business customers.

26.463, Relating to Calculation and Reporting of a Municipality's Base amount

Adopted 10/21/99

This section establishes a uniform method for determining a municipality's base amount and for calculating the value of in-kind services provided to a municipality under an effective franchise agreement or ordinance by certificated telecommunications providers (CTPs), and sets forth relevant reporting requirements. This section applies to all municipalities in the State of Texas.

The cities and the CTPs were divided in their opinion over whether the accounting methodology used to calculate the 1998 base amount should be based on a calendar year or fiscal year. There were also significant disagreements on whether to use cash or revenue based accounting methods to calculate the 1998 base amount. Several cities also argued that the escalation provisions under HB 1777 were perpetual and that the base amount would have to be adjusted every year by the amount of escalation provisions in terminated contracts. The commission adopted rules to require cities to use calendar

year 1998 as the base year for calculating the 1998 base amount. However, the commission rules gave the cities the flexibility to use revenues “due” for year 1998 to calculate the base amount for that year.

The commission disagreed with the cities that the escalation provisions were perpetual. The adopted rules allowed escalation only until March, 2000 – the date by which rates have to be established by the commission. The commission concluded that escalation provisions in terminated contract do not carry over beyond March, 2000. Further, the commission noted that there is no mention in the statute about revising the base amount by escalation every year.

**26.465, Relating to Methodology for counting access lines and reporting requirements for certificated telecommunication providers (CTP)
Adopted 1/7/00**

This section establishes a uniform method for counting access lines within a municipality by category as provided by §26.461 (relating to Access Line Categories), sets forth relevant reporting requirements, and sets forth certain reseller obligations under the Local Government Code, Chapter 283. The provisions of this section apply to CTPs, in the State of Texas.

CTPs and Cities had several disagreements over the line counting methodology. The commission adopted rules to require CTPs to count one access line for every end user in a manner consistent with the definition of access lines in HB 1777

26.467, relating to rates, allocation, compensation, adjustments and reporting initially adopted on 2-25-00. After a minor date change to the rule, it was republished and adopted on 5/1/00.

This section establishes the following:

- (1) rates for categories of access lines;
- (2) default allocation for municipalities;
- (3) adjustments to the base amount and allocation;
- (4) municipal compensation; and
- (5) associated reporting requirements.

The provisions of this section apply to CTPs, and to municipalities in the State of Texas. Cities objected to commission proposal that the default allocation should be a ratio of 1:1:1.

The commission revised its original proposal and adopted an allocation ratio that was an average of the ratios submitted by the CTPs.

Customer Protection - SB 86

Project No. 20787
Payphone Compliance
Adopted 3/1/00

This project included the review of §23.54 relating to Pay Telephone Service as required by The Appropriations Act of 1997, HB 1, Article IX, Section 167. As a result of this review, the Commission repealed §23.54 relating to pay telephone service and added new §§26.102 relating to registration of pay telephone service providers and 26.341 through 26.347 relating to pay telephone service to replace §23.54.

Project No. 21006
Protection Against Unauthorized Billing Charges (“Cramming”)
Adopted 10/21/99

P.U.C. Substantive Rules §26.32, Protection Against Unauthorized Billing Charges (“Cramming”), was adopted to implement the provisions concerning unauthorized charges on telephone bills as set forth in SB86, PURA §§ 17.15 1- 17.15 8. The rule applies to all “billing agents” and “service providers”. The rule includes requirements for billing authorized charges, verification requirements, responsibilities of billing telecommunications utilities and service providers for unauthorized charges, customer notice requirements, and compliance and enforcement provisions. The rule ensures protection against cramming without impeding prompt delivery of products and services, minimizes cost and administrative requirements, and ensures consistency with FCC anti-cramming guidelines.

Project No. 21030
Limitations on Local Telephone Service Disconnections
Adopted 12/1/99

Amendments to P.U.C. Substantive Rules §26.21 relating to General Provisions of Customer Service and Protection Rules; §26.23 relating to Refusal of Service; §26.24 relating to Credit Requirements and Deposits; §26.27 relating to Bill Payment and Adjustments; §26.28 relating to Suspension or Disconnection of Service; and §26.29 relating to Prepaid Local Telephone Service (PLTS) were adopted to implement SB86, PURA §55.012. These amendments: (1) prohibit discontinuance of residential basic local service for nonpayment of long distance charges, (2) require that residential service payment first be applied to basic local service, (3) require a local service provider to offer and implement toll blocking to limit long distance charges after nonpayment for long distance service, and allow disconnection of local service for fraudulent activity, and (4) establish a maximum price that a local exchange company may charge a long distance service provider for toll blocking. The amendments apply to all local telephone service providers.

Project No. 21419
Customer's Right to Choice (Slamming)
Adopted 6/14/00

An amendment to P.U.C. Substantive Rules 826.130, Selection of Telecommunications Utilities, was adopted to implement SB86, PURA §17.004(a)(5) and §§55.301-55.308. The amendment (1) eliminates the distinction between carrier-initiated and customer-initiated changes, (2) eliminates the information package mailing (negative option) as a verification method, (3) absolves the customer of any liability for charges incurred during the first 30 days after an unauthorized telecommunications utility change, (4) prohibits deceptive or fraudulent practice, (5) requires consistency with applicable federal laws and rules, and (6) addresses the related issue of preferred telecommunications utility freezes. The rule applies to all telecommunications utilities.

Project No. 21420
Administrative Penalties
Adopted 2/10/00

An amendment to P.U.C. Procedural Rules §22.246, Administrative Penalties, was adopted to implement SB86, PURA § 15.024. The amendment eliminates the 30 day "cure period" for violations of PURA Chapters 17, 55, and 64, clarifies that a violator may not opt to pay a penalty without taking appropriate corrective action, and incorporates the term "continuing violation."

Project No. 21422
Automatic Dial Announcing Devices
Adopted 1/27/00

An amendment to P.U.C. Substantive Rules §26.125 was adopted to implement PURA §55.126. The amendment shortens the amount of time an automatic dialing device must disconnect from a called person from 30 seconds to five seconds. The rule applies to all operators of automatic dial announcing devices.

Project No. 21424
Prepaid Calling Card Disclosures
Adopted 7/12/00

P.U.C. Substantive Rules §26.34, Telephone Prepaid Calling Services, was adopted to implement PURA §55.253. The rule applies to all prepaid calling services companies. The rule prescribes standards regarding the information a prepaid calling card company shall disclose to customers concerning rates and terms of service.

Project No. 21456
Certification, Registration and Reporting
Adopted 6/29/00

Amendments to P.U.C. Substantive Rules §26.107, Registration of Nondominant Telecommunications Carriers, §26.109, Standards for Granting of Certificates of Operating Authority (COAs), and §26.111, Standards for Granting Service Provider Certificate of Operating Authority (SPCOA), and new §26.114, Suspension or Revocation of Certificates of Operating Authority (COAs) and Service Provider Certificates of Operating Authority (SPCOA) were adopted to implement PURA § § 17.05 I- 17.053. The amendments and new rule: establish registration requirements for all nondominant carriers, requires registration as a condition for doing business in Texas, establishes customer service and protection standards, and addresses suspension or revocation of COAs and SPCOAs. The purpose of this project is to amend certification, registration, and reporting requirements for SPCOA/COA applicants to reflect legislative authority to revoke or suspend certification of telecommunications utilities.

Pending Projects

Project No. 21423
Telephone Customer Service Rules
PURA, Sections 17.003(c), 17.004, and 17.052(3)
Published 7/7/00, Hearing 8/15/00, **Target adoption date 10/9/00**

The purpose of this project is to recast the existing customer protection rules for the new, competitive environment. Key issues being addressed are: (1) applicability of rules to dominant certificated telecommunications utilities (DCTUs) and nondominant certificated telecommunications utilities (NCTUs), (2) emerging issues such as failure of NCTUs to release lines, (3) discrimination protections, (4) prohibition of fraudulent, unfair, misleading, deceptive, and anti-competitive practices and (5) **information disclosures**

Equal versus bifurcated rules for DCTUs and NCTUs. Consumer groups and most DCTUs proposed that the customer service and protection rules apply equally to all certificated telecommunications utilities (CTUs). In support of their position, these commenters made the following points: PURA requires uniform standards for all CTUs, perspective for the rules should be the customer, not the classification of the provider, uniform rules will encourage more participation by giving some assurance to reluctant consumers that the market will operate fairly, and since NCTUs indicated that they cannot survive **unless** they provide better service than DCTUs, then adhering to the DCTU standards should not be a problem.

NCTUs favored bifurcated rules with less restrictive requirements for NCTUs. In support of their position, these commenters made the following points: PURA encourages competition, distinguishes between DCTUs and NCTUs in many areas, and does not require uniform rules for all CTUs, the commission should apply regulatory mandates

only when the market fails, uniform regulation is appropriate only when competitors are equally situated, and equal application of rules would create substantial burdens and costs for NCTUs and inhibit competition.

The proposed rules provide strong protections for all customers, while allowing some flexibility to NCTUs to encourage increased competition. Ultimately, a highly competitive local telecommunications market will benefit all customers.

Project No. 21329

Low Income/Automatic Enrollment

PURA, Section 17.004 (f)

Published 9/1/00, Hearing target date 10/26/00, **Target adoption date 12/13/00**

This project is charged with establishing terms and conditions necessary for automatic enrollment into Lifeline service and will result in an amendment to §26.412. Staff is continuing to work with DHS on an implementation plan for automatic enrollment of Lifeline services.

Project No. 21421

Customer Proprietary Network Information

PURA, Section 17.004

Merged into project 21423.

This team has met and reviewed the new statutory language concerning the privacy of customer consumption and credit information. Based on their review, no changes are needed to substantive rule §26.122. Additional language to address these specific protections will be addressed in project 21423. There are ongoing federal proceedings as well on this subject.

Project No. 22706

Discrimination

PURA, Section 17.004 (a) (4)

Published 8/25/00, Target hearing date 10/24/00, **Target adoption date 11/16/00**

This project includes changes in language relating to prohibitions relating to geography and income. Telecommunications discrimination issues will be handled in two projects. This project seeks to amend the commission's policy language contained in substantive rules § 26.4 so that it is in compliance with PURA. Specific mechanisms to implement and enforce the prohibitions on discrimination found in proposed Substantive Rule §26.4 are included in Project No. 22423. The rules will apply to all telecommunications providers.

APPENDIX B

*SUMMARY OF CHARGES ON
TELECOMMUNICATIONS SERVICES BILLS*

FEDERAL CHARGES

**SUBSCRIBER LINE CHARGE (SLC) AND THE PRESUBSCRIBED INTERSTATE CARRIER CHARGE (PICC) WERE COMBINED BY THE FCC EFFECTIVE JULY 2000 UNDER THE NAME SLC.*

FCC SUBSCRIBER LINE CHARGE (SLC)

Why is it on the bill?

Title 47, Code of Federal Regulations, Section 69.152; United States Congress via the Federal Communications Commission (FCC) in 1983. The FCC subscriber line charge (SLC) came into being as part of the settlement reached in the divestiture of the regional Bell operating companies from AT&T.

What is it?

Originally, this charge was intended to keep basic rates stable at the time of divestiture. Local telephone companies assess the SLC to recover interstate costs associated with the local loop that are not recovered elsewhere.

Also known as:

FCC-Approved Customer Line Charge
FCC Subscriber Line Charge
Interstate Subscriber Line Charge
Customer Subscriber Line Charge
Federal Line Fee
Easy Access Dialing Charge

How much is it?

The monthly SLC is capped at \$3.50 for each **primary** residential line and **primary** business line. The cap for primary residential and business lines will not increase. The charge for each additional residential line is currently capped at \$6.07 per month; the charge for each additional business line is currently capped at either the local telephone company's average interstate cost of providing such a line in the state or \$9.21, whichever is lower. The local telephone company can only assess charges for additional lines that are necessary to cover interstate costs.

Who gets the money?

Local telephone companies.

PRESUBSCRIBED INTEREXCHANGE CARRIER CHARGE (PICC)

Why is it on the bill?

Title 47, Code of Federal Regulations, Sections 69.104, 69.153, & 69.154; United States Congress via the FCC, effective January 1, 1998.

What is it?

Long-distance companies pay the flat-rated presubscribed interexchange carrier charge (PICC) to local phone companies to contribute towards the latter's recovery of costs associated with the local loop, the facility that links each telephone customer to the network. A long-distance company pays this charge for each residential and business telephone line that is presubscribed to the long-distance company. Long-distance companies may recover the PICC from their customers. If a customer is not presubscribed to a long-distance carrier, the local telephone company carrier may bill the PICC.

Also known as:

National Access Fee (MCI)

Carrier Line Charge (AT&T)

Pre-subscribed Line Charge (Sprint long-distance bills)

Regulatory Related Charge (Sprint local bills, for customers with no presubscribed long-distance carrier).

How much is it?

The maximum PICC paid by long-distance companies for primary residential lines and single-line business lines is \$1.04 per line per month. For non-primary residential lines, the maximum PICC paid by long-distance companies is \$2.53 per line per month; for each multi-line business line, it is \$4.31. Each year, the maximum PICC for multi-line businesses will increase by \$1 SO, as adjusted for inflation.

The PICC paid by long-distance companies will vary, based on the actual cost of providing local telephone service in each area. Recent increases in the PICC are offset, in part, by reductions in federal per-minute access charges paid by long-distance companies to local telephone companies.

Who gets the money?

Local telephone companies.

FEDERAL UNIVERSAL SERVICE (FUSF) CHARGE

Why is it on the bill?

Title 47, Code of Federal Regulations, Sections 36, 54, and 69; United States Congress, via the FCC. Effective January 1, 1998.

What is it?

This is the mechanism for funding the federal Universal Service Fund (WSF). The FUSF charge is assessed to all telecommunications companies with interstate operations, including long-distance carriers, wireless companies, pager companies, and payphone companies. The amount collected through this charge funds telecommunications services' discounts to schools, libraries, rural health care providers, and low-income customers; it also provides funds to local telephone companies that serve rural, insular, and high-cost areas. The FCC permits telecommunications companies that pay the charge to recover it from their customers.

Also known as:

Federal Universal Service Fee (MCI)
Universal Connectivity Charge (AT&T)
Universal Service Carrier Charge (Sprint)

How much is it?

The level of the charge varies, depending upon anticipated FUSF requirements. MCI charges 5% of the customer's long-distance bill; Sprint charges 4.5%; and AT&T assesses a flat rate of \$0.93.

Who gets the money?

Schools, libraries, rural health care providers, and local telephone companies that serve low-income customers and rural, insular, and high-cost areas. Funds associated with the "e-rate" are allocated by grants to schools and libraries.

LOCAL NUMBER PORTABILITY (LNP) CHARGE

Why is it on the bill?

Title 47, Code of Federal Regulations, Section 52.33 and the Federal Telecommunications Act of 1996, Section 251 (e) (2); United States Congress via the FCC, effective February 1, 1999.

What is it?

This charge funds the configuration of local telephone companies' networks so that a customer switching local telephone companies will not need to change his current telephone number as well. It recovers the cost of creating new facilities, the cost of upgrading the network to accommodate number portability, and recurring costs incurred in providing local number portability. The LNP charge aims to promote competition in the local telecommunications market.

How much is it?

SWBT is billing \$0.33 as its LNP charge. The FCC allows local telephone companies to assess the monthly charge for a maximum of 5 years. The charge can be assessed only when the local telephone company is capable of providing local number portability within a local calling area.

Who gets the money?

Local telephone companies.

Which customers are exempt from paying this charge?

Subscribers on Lifeline Assistance programs.

FEDERAL EXCISE TAX

****BOTH THE U.S. HOUSE OF REPRESENTATIVES AND THE U.S. SENATE HAVE VOTED TO REPEAL THE FEDERAL EXCISE TAX. PRESIDENT CLINTON IS EXPECTED TO SIGN THE BILL BUT HAS NOT AS OF THIS WRITING.***

Why is it on the bill?

Title 26, United States Code, Sections 4251 and 3; United States Congress (1898).

What is it?

The federal excise tax was originally initiated as a luxury tax to pay for the Spanish-American War. Now, all proceeds are used for general revenue purposes.

Also known as:

Federal tax

How much is it?

It is 3% of all billed local and long-distance services, and teletypewriter exchange services.

Who gets the money?

The U.S. Treasury receives the proceeds, which are then disbursed as needed.

What services are not subject to this charge/which customers are exempt from paying this charge?

Installation charges

Answering services

Mobile radio telephone service

Coin-operated telephones

Telephone-operated security systems

News services and radio broadcasts of news and sporting events

Common carriers and communications companies

Military personnel serving in combat zones

International organizations

Federal, state, and local government communications

STATE & LOCAL CHARGES

TEXAS UNIVERSAL SERVICE FUND (TUSF) SURCHARGE

Why is it on the bill?

Public Utility Regulatory Act, Chapter 56; Texas Legislature, in 1987 and 1999; U.S. Congress via the FCC in 1996.

What is it?

The TUSF allows affordable service to high-cost rural customers, funds the Relay Texas and Specialized Telecommunications Assistance programs for the hearing-disabled, and funds telecommunications services discounts to low-income customers (Tel-Assistance and Lifeline).

How much is it?

About 3.6% of taxable communications receipts.

Who must pay it?

All providers of telecommunications services, including wireless, pager, local and long distance telephone companies.

Who gets the money?

The largest portion of the TUSF goes to provide assistance to local telephone companies providing service in high-cost and rural areas. Other monies are allocated to fund the Relay Texas and specialized equipment programs for the hearing-disabled, and to fund discounts on telecommunications services for low-income customers. At this time, it is estimated that the TUSF for fiscal year (FY) 2000 will total approximately \$493,405,000. Of that amount, it is estimated that 90 % will be allocated to local telephone companies serving high cost and rural customers; 3 % to fund discounts to low-income customers; and a little under 3 % to fund programs for the hearing-disabled.

The Public Utility Commission of Texas (PUC) is currently conducting proceedings addressing the TUSF. As a result of those proceedings, consistent with state law, increases in the TUSF will be offset by reductions in the access charges that long-distance companies pay to local telephone companies, and by reductions in the toll charges that local telephone companies charge their customers. Long-distance companies must pass through these access charge reductions to their residential customers on a proportionate basis.

What services are not subject to this charge/which customers are exempt from paying this charge?

Lifeline, Link-Up America, and Tel-Assistance customers; long-distance services not originating and terminating in Texas; and tax-exempt entities such as schools and universities.

Why is it on the bill?

Public Utility Regulatory Act, Chapter 57.041-050; Texas Legislature, in 1995.

What is it?

The Texas Infrastructure Fund (TIF) charge funds the provision of advanced telecommunications services to public schools, hospitals, and libraries. Such funds are distributed through grants and loans.

How much is it?

All telecommunications utilities and commercial mobile service providers pay 1.25 % of their taxable telecommunications receipts into the TIF; the total amount in the TIF may not exceed \$1.5 billion. The charges assessed by affected companies vary.

Who gets the money?

Schools and qualifying institutions that apply for grants and loans.

9-1-1 EMERGENCY SERVICE FEE

Why is it on the bill?

Texas Health & Safety Code, Section 771.07 1; Texas Legislature, in 1987.

What is it?

This fee funds the provision of 9- 1- 1 emergency telecommunications services.

How much is it?

The state 9-1-1 advisory commission sets this fee. The fee, which is based on the cost of providing 9- 1-1 service in the region in which the customer is located, may not exceed \$0.50 per month for each local telephone line. The fee must be stated separately on the customer's bill. The PUC must review the establishment of the fee.

Who gets the money?

Local telephone companies must collect the fee from their customers, and then remit those amounts to the relevant regional planning commission or other designated public agency. The amount collected pursuant to the fee can be spent only in the region in which it is collected. Revenues may also be appropriated to the emergency medical services and trauma care system fund.

9-1-1 EQUALIZATION SURCHARGE

Why is it on the bill?

Texas Health & Safety Code, Section 77 1.072; Texas Legislature, in 1995.

What is it?

This surcharge generates additional funds for regions that do not collect sufficient funds through the 9-1-1 emergency service fee.

How much is it?

The state 9-1-1 advisory commission imposes this surcharge on customers receiving intrastate long-distance service. The surcharge cannot exceed one-third^{ths} of 1% of the charges for intrastate long-distance service. The PUC must review the establishment of the surcharge.

Who gets the money?

Regional 9-1-1 planning commissions receive an allocation of the revenue to implement 9-1-1 service, while the Texas Department of Health receives an allocation to fund poison research and maintenance of the poison control centers.

POISON CONTROL SURCHARGE

Why is it on the bill?

Texas Health & Safety Code, Sections 777.001 -.01 1; Texas Legislature, in 1993.

What is it?

The surcharge funds six regional poison control centers that are open 24-hours-a-day, 7-days-a-week, and toll-free referral and information services.

How much is it?

It is the same as the 9-1-1 equalization surcharge. The surcharge cannot exceed $3/10^{\text{ths}}$ of 1% of monthly intrastate state long-distance charges.

Who gets the money?

The Advisory Committee on State Emergency Communications and the Texas Department of Health, to distribute as needed.

STATE AND LOCAL SALES TAXES

Why is it on the bill?

Texas Tax Code, Sections 15 1.05 1, 15 1.308, and 15 1.323; Texas Legislature and local jurisdictions including cities, counties, special purpose districts, and transit authorities.

What is it?

These taxes are levied on tangible personal property and taxable services, including amusement services, cable television services, personal services, repair and remodeling services, aircraft services, telecommunications services, real property services, and data processing services.

How much is it?

The state tax rate is 6.25%; the total of all local taxes cannot exceed 2%. Therefore, state and local taxes combined cannot exceed 8.25%.

Who gets the money?

General Revenue Fund and local governmental authorities.

Must you pay taxes on the charges that appear on your bill?

Yes, according to the Texas Comptroller of Public Accounts. These charges are not taxes imposed on the customer, but rather upon the providers/sellers of telecommunications services. They are considered a part of the total sales price of the telecommunications services provided. These charges cannot be passed through to the ratepayers as a tax or fee, but are collected as a reimbursement.

What services are not subject to this charge?

Long-distance services that are not originated and terminated in Texas

Prepaid calling cards

Services obtained through a reseller

STATE FRANCHISE TAXES OR FEES

Why is it on the bill?

Texas Tax Code, Sections 171 .001, .002, .065, and .080; Public Utility Regulatory Act, Section 53.202; Texas Legislature, in 1991 (House Bill 11).

What is it?

A franchise tax assessed to corporations doing business in Texas.

Also known as:

House Bill 11 Surcharge
Cost of service surcharge

How much is it?

Only local telephone companies that have not elected incentive regulation, and for which the PUC has not set rates in a general rate proceeding since 1991, can assess this surcharge. If the qualifying local telephone company requests the imposition of this surcharge, the PUC must allow the local telephone company to adjust its billing to do so. The amount recovered from customers varies annually, depending on the level of franchise taxes incurred by the local telephone company.

Who gets the money?

General Revenue Fund.

What services are not subject to this charge?

Local telephone service provided by cooperatives

LOCAL FRANCHISE TAXES OR FEES

Why is it on the bill?

House Bill 1777, Section 283.05 1(a); Texas Legislature, in 1999; Public Utility Regulatory Act, Section 54.206; Texas Legislature, in 1995.

What is it?

Recently enacted House Bill 1777 requires certificated telecommunications providers that provide telecommunications service within a municipality to compensate the municipality for the use of public rights-of-way. House Bill 1777 gives the PUC responsibility for determining these amounts; previously, municipalities and carriers addressed the compensation issue through negotiated agreements. The PUC is in the process of adopting rules implementing House Bill 1777.

State law also gives a certificated telecommunications carrier the right to recover, on a pro rata basis, the amount paid to a municipality from its customers who are within the boundaries of the municipality. This charge may be separately stated on the customer's bill.

How much is it?

The amount of the fee will vary by municipality and type of customer.

Who gets the money?

Local telephone companies.

PUBLIC UTILITY GROSS RECEIPTS TAX

Why is it on the bill?

Public Utility Regulatory Act, Sections 16.001-021; Texas Legislature, in 1975.

What is it?

Revenues generated from this tax are used to appropriate funds to the PUC and the Office of Public Utility Counsel (OPUC). Amounts generated but not appropriated to those agencies remain in the General Revenue Fund. In FY 1999, the total amount collected is estimated to be \$41.2 million. Of this amount, the PUC was appropriated \$10.1 million, and the OPUC was appropriated \$1.4 million.

Also known as:

State Regulatory Tax
Regulatory Fee

How much is it?

All public utilities, including long-distance companies, pay one-sixth of 1% of their gross receipts.

Who gets the money?

State of Texas, PUC, and OPUC.

EXPANDED LOCAL CALLING SERVICE (ELCS) FEE & SURCHARGE

Why is it on the bill?

Public Utility Regulatory Act, Section 55.048; Texas Legislature, in 1993.

What is it?

Customers in many rural exchanges are not able to call schools, state agencies, hospitals, and businesses in their communities of interest without paying long-distance charges. Subject to certain restrictions, state law allows such customers to petition the PUC to obtain expanded local calling service (ELCS). ELCS expands rural customers' local calling scopes by allowing them to call additional exchanges by paying a flat fee, rather than incur long-distance charges assessed on a per-minute basis. If the cost of providing ELCS exceeds the revenues received from the service, state law allows the local telephone company to surcharge all of its customers in Texas to make up the difference.

How much is it?

For the first five exchanges, the maximum ELCS **fee** is \$3.50 per month for a residential line and \$7.00 per month for a business line. This fee may increase by \$1.50 for each additional exchange over **five**. The ELCS **surcharge** varies among companies. Southwestern Bell charges 16 cents per month, while GTE bills 73 cents. The PUC must approve all ELCS fees and surcharges.

Who gets the money?

Local telephone companies.

EXTENDED AREA SERVICE (EAS)

Why is it on the bill?

Public Utility Regulatory Act, Section 55.021-024; Texas Legislature, in 1983.

What is it?

Customers in rural and metropolitan areas often desire to make calls to/receive calls from homes, schools, state agencies, hospitals, and businesses in their communities of interest without paying long-distance charges. Extended area service (EAS) expands customers' local calling scopes by allowing them to call additional contiguous exchanges for a flat fee, rather than incur long-distance charges assessed on a per-minute basis. The PUC can approve mandatory EAS or optional EAS either pursuant to a joint agreement between affected local telephone companies and affected communities, or upon a petitioning community's showing that traffic volumes justify EAS. EAS may be either one direction only (one-way) or in both directions (two-way).

How much is it?

For mandatory two-way EAS involving a non-metropolitan exchange, the maximum EAS fee is \$3.50 a line for residential customers and \$7 a line for business customers. This fee limitation, however, does not apply to EAS involving a metropolitan exchange or to optional EAS. If the cost of providing mandatory two-way EAS involving non-metropolitan exchanges exceeds the revenues from such service, state law allows the local telephone company to surcharge all of its customers in Texas to make up the difference. The PUC must approve all EAS fees and surcharges.

Who gets the money?

Local telephone companies.

APPENDIX C

WORKFORCE DIVERSITY FORM

Actual = Total HUB(6) procurement/Total Company procurement + Total Small Business procurement/Total Company procurement	Actual for Previous FY	Actual for Current FY	Percentage change
Construction Contracts (1)			
Commodities Contracts (2)			
Other Services (3)			
Professional Services Contracts (4)			
Major Equipment (5)			
Other			

(1) **Construction** -- All construction dollars requiring the procurement of construction, contractor, or special services, as well as contract labor required to complete construction projects.

(2) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts.

(3) **Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services.

(4) **Professional** -- Contracted professional services, including legal.

(5) **Major Equipment** -- Includes all major equipment purchases and rentals.

(6) **HUB** - historically underutilized business

WORKFORCE DIVERSITY FORM

Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

WORKFORCE DIVERSITY FORM

State the specific progress made under the plan filed by the utility:

APPENDIX D

Public Utility Commission of Texas

Memorandum

TO: Chairman Pat Wood, III
Commissioner Judy Walsh
Commissioner Brett A. Periman

FROM: John Costello *JC*
Diana Zake *DZ*

DATE: June 22, 2000

RE: Project No. 21173, Compliance Project to Address Interexchange Carrier Access Charge Reduction Pass-Through Filings

Attached for your information is the June 2000 Status Report for Project No. 21173. The Report discusses the first set of interexchange carrier (IXC) compliance filings required by § 52.112 of the Public Utility Regulatory Act (PURA).¹ Section 52.112 requires, in part, that large IXCs pass through to customers switched access rate reductions; that the residential customer class receives not less than a proportionate share of the reductions; and that within six months of such reductions, the IXCs file with the Commission a sworn affidavit confirming reductions to basic rate schedules.

On September 1, 1999, switched access rate reductions went into effect as a result of the implementation of the Texas Universal Service Fund. In addition, Southwestern Bell Telephone Company (SWBT) reduced its switched access rates by one cent, pursuant to PURA § 58.301. AT&T Communications of Texas, L.P. (AT&T), Sprint Communications Company, L.P. (Sprint), and WorldCom, Inc. (WCOM) filed affidavits in March 2000, pursuant to the Commission's Declaratory Order in Project No. 21172.² Attached to the Report is a table summarizing the reductions to the utilities' basic rates schedules.

We met separately with representatives from each of the IXCs in March 2000 to discuss and clarify the reliability of the information submitted. After those discussions and review of supplemental information filed in April 2000, we conclude that AT&T, Sprint, and WCOM have complied with the requirements of PURA § 52.112 and the Declaratory Order with respect to the September 1, 1999, switched access reductions.

The IXCs will file in late December 2000 or January 2001 confirming compliance with § 52.112 as a result of the two-cent reduction to SWBT's switched access rates required by PURA § 58.301.

Please call John at 6-7377 or Diana at 6-7242 if you have any questions.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-64.158 (Vernon 1998 & Supp. 2000) (PURA).

² *Interexchange Carrier Access Charge Pass Through Filings Pursuant to Section 52.112*, Docket No. 21172, Declaratory Order (Sep. 7, 1999).

Project No. 21173
Compliance Project to Address Interexchange Carrier
Access Charge Reduction Pass-Through Filings

June 2000 Status Report

In order to insure that reductions associated with the cost of providing intrastate long distance service are passed on to the telephone subscribers in Texas, the 76th Texas legislature enacted general requirements in Section 52.112 of the Public Utility Regulatory Act (PURA) as part of Senate Bill 560. The primary focus of Section 52.112 of PURA is the pass-through of cost reductions to the basic long distance price schedules and the residential users of the unregulated long distance services of large interexchange carriers (IXCs). In fact, section 52.112 mandates that the residential custom class receive no less than a proportionate share of the reduction in the cost of switched access and specifically directs that per minute reductions in the cost of switched access be reflected in the per minute rates of the basic rate schedules.

Staff believes that the carriers required to pass on savings to their customers have submitted the appropriate material confirming compliance with the requirements of PURA. No further action is required on this matter excepting review of additional switched access reductions as they occur.

I. General Requirements

According to PURA 52.112¹, telecommunications utilities with more than 6% of the total intrastate access minutes of use shall pass cost savings due to reductions in switched access charges to their customers in the form of rate reductions. PURA 52.112 requires that within six months the utility² file with the Commission sworn affidavits confirming the pass through of cost savings from switched access reductions. Focusing on a "class" of service Section 52.112 indicates that residential customers are to receive their proportionate share of any cost savings. Additionally, the section mandates that the basic rate schedule, applicable to residential and

¹Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 52.112 (Vernon 1998 & Supp. 2000) (PURA).

business customers not generally served under any specific optional calling plan, is to reflect per minute reductions in rates consistent with per minute reductions in switched access costs.

In Docket No. 21172³ the Commission established Sworn Affidavits of Completion as the mechanism for IXC's to demonstrate compliance with this PURA requirement. For a specific demonstration of compliance the affidavits must contain the following information:

- Stitched access revenue (per minute of use • MOU) before and after the access reduction
- The portion of residential revenue derived from toll as a percent of total revenue
- Sworn c-on of compliance with PURA 52112 and Commission orders that the company has reduced the permanent rates under its basic rate schedules
- Originating, terminating and total statewide weighted average cost of switched access before and after Texas Universal Service Fund (TUSF) reductions

XL Access Reductions and pass-through filings

Effective September 1, 1999 switched access rate reductions were ordered in Docket Nos. 18515 and 18516⁴, and required by PURA Section 58.301(1).⁵ On March 1, 2000 AT&T Communications (AT&T), WorldCom (WCOM) and Sprint Communications Company (Sprint) filed information pursuant to the Commission's Declaratory Order, covering switched access reductions made by incumbent local exchange carriers (ILECs) from January 1, 1999 through

² The telecommunications utilities required to comply with this section of PURA are AT&T Communications, WorldCom (formerly MCI WorldCom) and Sprint Communications Company.

³ *Interexchange Carrier Access Charge Passthrough Filings Pursuant to Section 52.112*, Docket No. 21172, Declaratory Order (September 7, 1999). The declaratory order addresses access reductions resulting from TUSF Docket Nos. 18515 and 18516, and PURA Section 58.301.

⁴ Docket Nos. 18515 and 18516 were Universal Service Funding projects in which specific dollar amounts of reductions to switched access charges were both determined and granted to incumbent local exchange carriers. See Final Orders in those proceedings issued January 14, 2000 for specific dollar reductions in switched access granted to each incumbent local exchange carrier.

⁵ SWBT's required switched access reduction of one cent per minute of use.

September 1, 1999.⁶ The timing of the filings was consistent the six-month period granted by law that interexchange carriers provide positive proof of a pass-through of cost savings.

The PUC Staff calculated average cost reductions based on industry wide revenues and market shares of the various ILECs and the specific reductions to costs afforded IXCs as a result of TUSF and SB560 activity. After initial review of the pass-through filings Staff met with representatives from WCOM, AT&T and Sprint. These meetings were held during the last week in March for the purpose of clarifying the reliability of the information submitted. Supplemental filings providing additional information and further clarification were accepted into the confidential record of review in early April 2000. Attachment I contains a minute-of-use (MOU) rate comparison from the basic schedules of these three companies.

A. WCOM

WCOM initially submitted information covering all of the company's residential offerings and small business customers. Year 2000 and system issues prevented WCOM from implementing reductions as planned for its large business customers. However, WCOM indicated that a credit would be provided to large businesses for the time period between the planned reductions and the actual implementation date. Subsequent to the initial filing, WCOM provided pass-through support for business customers, which included average revenue per minute calculations for the company's business rates and the percentage of the company's total residential revenue as compared to its total intrastate revenue in the state of Texas.

WCOM's Affidavit of Julie-Bright Parolek submitted March 1, 2000 identified switched access (long distance) revenues before and after the 1999 access rate reductions for both residential customers and small business customers. Parolek's affidavit also indicated that WCOM's basic rate schedule, as revised, did in fact reflect the access reductions for 1999. Staff has concluded that these calculations appear to be reasonable and conform to the requirements of PURA.

⁶ The specific minute of use data submitted in conjunction with, and mm to in the affidavits is considered by the IXCs to be highly confidential information.

June 2000 Status Report

WCOM's Affidavit of **Laura K. Pickerel** of March 1, 2000 identified the company's switched access costs before and after the switched access reductions. WCOM's calculation of the **net change** in the company's costs on a per-minute-f-use basis is very much in line with the **expectations** that the **PUC** Staff had calculated for average cost reductions based on **industry wide revenues** and market shares of the **various ILECS** and the **specific reductions** to costs **afforded IXCs** as a result of TUSP and **SB560** activity.

WCOM's Affidavit of Julie L Davis submitted March 1, 2000 indicated that the tariffs accompanying the March 1st **filing represent** a catalog **that** reflects the long distance rate reductions that the company has implemented in **order** to pass through the switched access reduction identified by Ms. Pickerel.

WCOM's Affidavit of Randy Klaus, submitted April 6, 2000, **provided** information on the total amount of WCOM revenue derived **from** residential customers. The **Affidavit** of Joseph **M. Penick** submitted on **that same** date identified the change in switched access revenue for **large** business customers as a result of the 1999 access reductions.

The **catalogue** of filings submitted by WCOM indicated that rate reductions **were** made to many of WCOM's services beginning September 1, 1999 through February 1, 2000. WCOM's reductions include, but **are** not limited to, **MCI Execunet** service (WCOM's basic rate schedule), **MCI Everyday** Plus, Small Business Savings Plan, **MCI Anytime**, Dial USA, MCI 800 Service and other service categories. **Furthermore**, as indicated in **one of the** tariff cover letters of WCOM Tariff Administrator, Tanya Dingle, "**the purpose** of this **filing** is to reduce each of the per-minute rates in **WorldCom's** basic rate schedule by five cents".

Based on **the** information provided in the affidavits of WCOM and **an** examination of the basic schedule tariffs on file at the Commission, the **Staff concludes** that WCOM **has** complied with the **pass-through requirements** of PURA Section 52.112 the Declaratory Order of Docket No. 21172.

Summary of Reductions to Basic Rates		
Service Category or Element	OLD RATE (\$/min)	NEW RATE (\$/min)
AT&T (1)		
Interlata Residential Dial Station Rates		
Day	\$0.29	\$0.23
Evening	\$0.22	\$0.17
Night/Weekend	\$0.20	\$0.15
AT&T Commercial Long Distance		
Day	\$0.0865-\$0.3400	\$0.2195
Evening	\$0.0635-\$0.2515	\$0.2195
Night/Weekend	\$0.0520-\$0.2100	\$0.2195
WorldCom (2)		
Execunet Basic Rate Schedule		
Peak/Interlata	\$0.30	\$0.25
Off-peak/Interlata	\$0.25	\$0.20
Peak/Intralata	\$0.25	\$0.20
Off-peak/Intralata	\$0.15	\$0.10
Sprint (3)		
Residential SPRINT Service		
last 5 rate bands (67+ miles)		
Day	\$0.27-\$0.32	\$0.25
Evening	\$0.24-\$0.30	\$0.20
Night/Weekend	\$0.24-\$0.32	\$0.17
(1) AT&T Communications Custom Network Service Tariff - Price schedules and AT&T Communications Message Telecommunications Service Tariff - Section 1		
(2) MCI Telecommunications Corporation, Texas Pricing Schedule.		
(3) Sprint Intercity Telecommunications Services, Message Telecommunications Services, Texas Price List		

APPENDIX E

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 59)	Description of Filing	Date Filed	Type of Filing	Docket No. & Party Initiating Complaint
22292	BIG BEND TEL COOP	52	Customer Promotional Offering	15-Mar-00	Promotion	N/A
21856	BRAZOS TEL COOP	52	Waive Line Connection Charge for additional business & residential 1-party lines to existing locations	16-Dec-99	Pricing Flex.	N/A
21330	BRAZOS TELECOMM.	52	Promotion of call waiting and caller ID for business and residential customers.	3-Sep-99	Pricing Flex.	N/A
21331	BRAZOS TELECOMM.	52	Promotion of call waiting and caller ID for business and residential customers.	3-Sep-99	Pricing Flex.	N/A
21857	BRAZOS TELECOMM.	52	Waive Line Connection Charge for additional biz and res. 1-party lines to existing locations	16-Dec-99	Pricing Flex.	N/A
22118	BRAZOS TELECOMM.	52	Promotion - waiver of Non-Recurring Charges (NRCs) on Three Way Calling, Automatic Callback, Automatic Recall, Caller ID, and Caller ID with Anonymous Call Rejection	14-Feb-00	Pricing Flex.	N/A
22117	BRAZOS TELEP COOP.	52	Promotion: waiver of NRC for Three-Way Calling, Automatic Callback, Automatic Recall, Caller ID, & Caller ID w/Anonymous Call Rejection	14-Feb-00	Pricing Flex.	N/A
21504	CENTRAL TEL CO - SPRINT	59	Promotion - waive one-month's charge for subscribing to Call forward busy or Call Forward No Answer.	13-Oct-99	Pricing Flex	N/A
21576	CENTRAL TEL CO - SPRINT	59	National Assistance Directory Service. will enable individuals to receive national directory listing info. via the local directory assistance operator; \$.95/call plus operator handled service charges if applicable	28-Oct-99	New Service	N/A
21675	CENTRAL TEL CO - SPRINT	59	Enhanced Frame Relay	17-Nov-99	New Service	N/A
21681	CENTRAL TEL CO - SPRINT	59	Sprint Classics - 3 Way Calling, Call Forward, Return Call, Caller ID Name, Call Forward Busy and No Answer. \$9.00/mo res; \$15.00/mo bus	18-Nov-99	Pricing Flex.	N/A
21859	CENTRAL TEL CO - SPRINT	59	Waiver of one month's charge for Call Forwarding-Busy & Call Forwarding-No Answer or Call Forwarding-Busy or No Answer	16-Dec-99	Pricing Flex.	N/A
22410	CENTRAL TEL CO - SPRINT	59	Promotional Offering	14-Apr-00	Promotion	N/A
22416	CENTRAL TEL CO - SPRINT	59	Non Emergency 311 Service Offering	18-Apr-00	New Service	N/A
22687	CENTRAL TEL CO - SPRINT	59	Removal of restrictions from national directory assistance	19-Jun-00	Other	N/A
21922	CONTEL OF TEXAS	58	Collocation Service to CLECS	3-Jan-00	New Service	21936/DRA

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 56, or 59)	Description of Filing	Date Filed	Type of Filing	Docket No. & Party Initiating Complaint
21515	CONTEL OF TEXAS	58	Erroneously filed as an informational filing. (Cost Recovery for IntraLATA Equal Access)	14-Oct-99	N/A	N/A
21537	CONTEL OF TEXAS	58	Call Return, Busy Redial and 3 way calling price cap increase	19-Oct-99	Pricing Flex.	N/A
21623	CONTEL OF TEXAS	58	Promotion to offer customers a free holiday CD if they purchase a specific custom calling package	8-Nov-99	Pricing Flex.	N/A
21736	CONTEL OF TEXAS	58	CIP - Carrier Identification Parameter	29-Nov-99	New Service	N/A
21839	CONTEL OF TEXAS	58	Packaging of Caller ID services with Call Blocker and Call Return; 90 day waiver of NRC	14-Dec-99	Pricing Flex.	N/A
22145	CONTEL OF TEXAS	58	Introduction of a New Service - SS7 Transport (hubbing) Pursuant to PURA Section 58.153	22-Feb-00	New Service	N/A
22249	CONTEL OF TEXAS	58	Big-Deal Option A & B	8-Mar-00	New Service	N/A
22267	CONTEL OF TEXAS	58	Big Deal Option A - promotion for residential customers	13-Mar-00	Promotion	N/A
22268	CONTEL OF TEXAS	58	Remote Call Forwarding	13-Mar-00	Promotion	N/A
22270	CONTEL OF TEXAS	58	Caller ID Promotion	13-Mar-00	Promotion	N/A
22631	CONTEL OF TEXAS	58	NRC waived for caller ID or caller ID Name and Number; first month rate waived for certain pay per use services; and LD calling card for new subscribers of Big Deal Options A and B.	7-Jun-00	Promotion	N/A
22671	CONTEL OF TEXAS	58	Secondary service order charge waived for certain custom calling features	14-Jun-00	Promotion	N/A
21587	EASTEX TEL COOP	52	Waiver of the Primary Service Order Charge & the Line Connection Charge for all additional lines purchased between Dec. 1, 1999 & Feb. 28, 1999	29-Oct-99	Pricing Flex.	N/A
21979	EASTEX TEL COOP	52	New Services: Call Forwarding No Answer, Busy, and Busy/No Answer	13-Jan-00	New Service	N/A
21935	EASTEX TEL COOP	52	Call Forward/ Busy Line, etc.	6-Jan-00	New Services	N/A
22536	ETEX TEL COOP	52	ISDN - BRI	15-May-00	New Service	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 59)	Description of Filing	Date Filed	Type of Filing	Pocket No. & Party Initiating Complaint
22602	ETEX TEL COOP	52	Call Forwarding, No answer-busy	31-May-00	New Service	N/A
22189	FT. BEND TELEPHONE CO.	52	Special Calling Features and Services Pursuant to PURA §52.0584	28-Feb-00	New Services	N/A
22510	FT. BEND TELEPHONE CO.	52	Call Transfer Disconnect	8-May-00	New Service	N/A
22568	FT. BEND TELEPHONE CO.	52	Waiver of NRC and 1st month charges for additional residential or business lines	22-May-00	Promotional	N/A
21552	ELECTRA TEL COMPANY	52	New Services: 12 custom calling features, DA, DA call completion, and free service for employees	22-Oct-99	New Service	N/A
22124	GTE SOUTHWEST	58	Informational Notice Filing-1SDN PRI- Month to Month Rate	02/15/2000 Withdrawn 2/18/2000	Pricing Flex.	N/A
21921	GTE SOUTHWEST	58	Collocation Service to CLECs	3-Jan-00	New Service	21936/ORA
21928	GTE SOUTHWEST	58	Redirect Service: allows a customer to manage their incoming voice call activity with greater flexibility and control; designed to manage calls for groups of users	5-Jan-00	New Service	N/A
22074	GTE SOUTHWEST	58	Restructure of rates for packet switching from usage-based to flat rates.	31-Jan-00	Pricing Flex.	N/A
22075	GTE SOUTHWEST	58	Restructure of rates for packet switching from usage-based to flat rates.	31-Jan-00	Pricing Flex.	N/A
21413	GTE-SOUTHWEST	58	New toll discount plans for business and Residence	17-Sep-99	New Service	N/A
21435	GTE-SOUTHWEST	58	Complete Line Metro Plus package for residential customers in Grapevine, Irving, Keller and Lewisville. Includes Optional EMS, numerous custom calling features and discounted intralata toll.	23-Sep-99	Pricing Flex.	N/A
21436	GTE-SOUTHWEST	58	GTE Complete Line Metro - \$41.75/mo. package for the four exchanges in the Houston metro Ems area - includes 15 vertical features.	23-Sep-99	Pricing Flex.	N/A
21437	GTE-SOUTHWEST	58	Complete Line Service - includes R1, vertical services and intralata toll	23-Sep-99	Pricing Flex	N/A
21438	GTE-SOUTHWEST	58	Complete Line Plus Service - includes R1, vertical services, intraLATA toll and voice mail	23-Sep-99	Pricing Flex	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 68)	Description of Filing	Date Filed	Type of Filing	Tariff No. of Filing
21500	GTE-SOUTHWEST	58	Group intercom paging for Airport service	11-Oct-99	New service	N/A
21516	GTE-SOUTHWEST	58	Erroneously filed as an informational filing. (Cost Recovery for IntraLATA Equal Access)	14-Oct-99	N/A	N/A
21517	GTE-SOUTHWEST	58	Establish pay per use rate for 3 Way Calling with a maximum charge	14-Oct-99	Pricing Flex	N/A
21533	GTE-SOUTHWEST	58	Offer Asynchronous Transfer Mode (ATM) service	18-Oct-99	New Service	N/A
21536	GTE-SOUTHWEST	58	Call Return, Busy Redial and 3 way calling price cap increase	19-Oct-99	Pricing Flex.	N/A
21553	GTE-SOUTHWEST	58	Big Deal package available to customers in certain Dallas area exchanges, including custom calling features, discounted IntraLATA toll, optional EMS.	22-Oct-99	Pricing Flex.	N/A
21624	GTE-SOUTHWEST	58	Promotion to offer customers a free holiday CD if they purchase a specific custom calling package	8-Nov-99	Pricing Flex.	N/A
21631	GTE-SOUTHWEST	58	Flex Grow in trunk service (multi-functional digital DSODS1 facility). Request to reduce rates for 12 and 36 month contracts	9-Nov-99	Pricing Flex.	N/A
21735	GTE-SOUTHWEST	58	CIP - Carrier Identification Parameter	29-Nov-99	Pricing Flex.	N/A
21840	GTE-SOUTHWEST	58	Packaging of Caller ID services with Call Blocker and Call Return; 90 day waiver of NRC	14-Dec-99	Pricing Flex.	N/A
21855	GTE-SOUTHWEST	58	Business line Promotion - waiver of second line I.C.	16-Dec-99	Price Flex	N/A
22144	GTE-SOUTHWEST	58	Introduction of a New Service - SS7 Transport (hubbing) Pursuant to PURA Section 58.153	22-Feb-00	New Service	N/A
22216	GTE-SOUTHWEST	58	ISDN-PRI Month to Month Rate	1-Mar-00	New Service	N/A
22248	GTE-SOUTHWEST	58	Big-Deal Option A & B	8-Mar-00	New Service	N/A
22266	GTE-SOUTHWEST	58	Big Deal Option A	13-Mar-00	Promotion	N/A
22269	GTE-SOUTHWEST	58	Remote Call Forwarding	13-Mar-00	Promotion	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 59, or 69)	Description of Filing	Date Filed	Type of Filing	Docket No. & Party Initiating Complaint
22271	GTE-SOUTHWEST	58	Caller ID Promotion	13-Mar-00	Promotion	N/A
22288	GTE-SOUTHWEST	58	Administrative Correction for 22144/TX Facilities Access Tariff	15-Mar-00	Administrative	N/A
22305	GTE-SOUTHWEST	58	Enhanced Call Forwarding	20-Mar-00	Administrative	N/A
22548	GTE-SOUTHWEST	58	ISDN PRI Promotion	16-May-00	Promotion	N/A
22601	GTE-SOUTHWEST	58	Provision of ISDN/PRI outside of the calling scope of the originating central office of the customer. Available as a one-way inbound terminating only service	30-May-00	New Service	N/A
22608	GTE-SOUTHWEST	58	Group Based Redirect Service and Directory Number Based Redirect. Type I and Type 11 to Custom Routing Service Tariff	31-May-00	New Service	N/A
22632	GTE-SOUTHWEST	58	NRC waived for caller ID or caller ID Name and Number; first month rate waived for certain pay per use services; and LD calling card for new subscribers of Big Deal Options A and B.	5-Jun-00	Promotion	N/A
22672	GTE-SOUTHWEST	58	Secondary service order charge waived for certain custom calling features	14-Jun-00	Promotion	N/A
22753	GTE-SOUTHWEST		Local Calling Scope plus EAS Term Pricing	3-Jul-00	Other	N/A
22462	GTE-Southwest	58	Transport LAN Connect	25-Apr-00	New Service	N/A
21616	HILL COUNTRY TEL COOP	52	Waiver of installation charge for all Special Calling Features for a period of 60-days beginning December 1, 1999	5-Nov-99	Pricing Flex.	N/A
21683	KERVILLE TEL COMPANY	59	Residence Caller ID	19-Nov-99	Promotion	N/A
22482	LIVINGSTON TEL COOP	52	Toll Blocking Service	28-Apr-00	New Service	N/A
21445	PEOPLES TELE COOP	52	Tariff offers numerous new custom calling features	24-Sep-99	New Service	N/A
21523	POKA-LAMBRO TEL	52	Offer new service Calling Name Delivery, packages of Calling Name with Calling Number and Call Blocker, and a promotion on Calling waiving NRCs on this service and packages	15-Oct-99	New Service, Pricing Flex.	N/A
21600	SANTA ROSA TEL COOP.	58	New Service: Call Waiting ID	3-Nov-99	New Service	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 55, or 69)	Description of Filing	Date Filed	Type of Filing	Docket No. & Party Involved in Filing Complaint
22297	SUGAR LAND TEL CO	59	Two custom calling packages - ALLTEL Caller ID and ALLTEL Complete Package; Rename existing custom calling package	17-Mar-00	New Service	N/A
21296	SWBT	58	Prepaid Home Service (PHS) at \$39/mo. payable in advance.	1-Sep-99	New Service	N/A
21297	SWBT	58	Removes the monthly maximum usage cap of \$6.00 for optional Pay-Per-Use Three-Way Calling service for residence and business customers	1-Sep-99	Pricing Flex.	N/A
21298	SWBT	58	Package: Toll Saver Package offers discounts to customers who subscribe to either 1+ Saver OCP or Local Plus in combination with Outgoing Call Control (OCC) for a 12-month term; 1+Saver OCP/OCC - \$2.48/mo; Local Plus/OCC - \$8.00/mo	1-Sep-99	Pricing Flex.	N/A
21299	SWBT	58	Business Directory Call Allowance - eliminated the business call allowance for directory assistance and now charges at the tariff rate for every call.	1-Sep-99	Pricing Flex.	N/A
21300	SWBT	58	Late payment charge - one-time penalty of 5% on business bills (except for federal and state agencies) and \$2.95 on residence bills	1-Sep-99	Pricing Flex.	N/A
21301	SWBT	58	New Residential Installment Billing charge - \$5.00	1-Sep-99	Pricing Flex.	N/A
21302	SWBT	58	Switched Access Optional Payment Plan	1-Sep-99	Pricing Flex.	21392 / AT&T
21303	SWBT	58	Pricing Flexibility Involving Centrex Service	1-Sep-99	Pricing Flex.	N/A
21304	SWBT	58	Term pricing plan for government entities, including one-party business local exchange lines, PBX trunks and multi-line hunting	1-Sep-99	Pricing Flex.	N/A
21305	SWBT	58	Centrex Provisions - increased the primary location premise station line rates but as part of provision to allow customers an early exit from Centrex contracts by paying out the balance of the contract period at the tariff rate.	1-Sep-99	Pricing Flex.	N/A
21306	SWBT	58	Increase in Restoral of Service Charge - from \$14.85 to \$20.00 for residential and \$25.00 for business	1-Sep-99	Pricing Flex.	N/A
21307	SWBT	58	Plexar 1 & 11	1-Sep-99	Pricing Flex.	N/A
21308	SWBT	58	Increase in returned check charge from \$10.60 to \$25.00	1-Sep-99	Pricing Flex.	N/A
21309	SWBT	58	Statewide promotion of Reserve Line waiving NRC.	1-Sep-99	Promotion	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Telco Control No.	Company	Chapter (52, 56, or 59)	Description of Filing	Filed	Type of Service	Control No. (AT&T, MCI, etc.)
21310	SWBT	58	Price changes on business and residential vertical services - 9 increases, 3 decreases. Also establishes THE WORKS - Option 3 for residential customers	1-Sep-99	Pricing Flex.	N/A
21311	SWBT	58	Essential Office, a package of non-basic services offered to business customers under a 12-month term agreement.	1-Sep-99	Pricing Flex.	21425 (AT&T) & 21475 (MCI)
21411	SWBT	58	Smart Trunk Option - separate from the PRI Line Port for ISDN. Separates the PRI from the DS1 and allows customers the option of using DS3 with the PRI.	17-Sep-99	Pricing Flex.	N/A
21412	SWBT	58	Local Plus promotional pricing - discounts on lines 2-10 and greater than 11 for a one year period	17-Sep-99	Pricing Flex.	N/A
21426	SWBT	58	IntraLATA Wholesale Service (IWS), a hybrid of access and toll with billing functionality	21-Sep-99	New Service	N/A
21468	SWBT	58	Local Plus customer-specific pricing	1-Oct-99	Pricing Flex.	N/A
21486	SWBT	58	Access Advantage Plus Options is a 6-month promotion allowing business customers to obtain options available with Access Advantage Plus (formerly Integrated Pathways) at a discount.	6-Oct-99	Pricing Flex.	N/A
21519	SWBT	58	Access Advantage Plus Trunk is an offering for PBX customers to obtain the switching function necessary to obtain Access Advantage Plus (formerly Integrated Pathways).	14-Oct-99	Pricing Flex.	N/A
21529	SWBT	58	Revised filing for switched access optional payment plan	18-Oct-99	Pricing Flex.	N/A
21531	SWBT	58	Customer-specific pricing for governmental entities	18-Oct-99	Pricing Flex.	N/A
21547	SWBT	58	Residence Additional Line Promotion. Waiver of service order, trip charge and central office charge for lines installed in November 1999.	22-Oct-99	Pricing Flex.	N/A
21548	SWBT	58	The Works Promotion - 12 vertical services - if purchased November 1999 customer gets a \$20 check.	22-Oct-99	Pricing Flex.	N/A
21549	SWBT	58	Business Promotion - one-month credit for subscribing to Call Waiting ID/ID Option or "ID" with Bizsaver E Option.	22-Oct-99	Pricing Flex.	N/A
21550	SWBT	58	Residential Promotion - waiver of installation charge for subscribing to Call Waiting ID/ID Options	22-Oct-99	Pricing Flex.	N/A
21558	SWBT	58	Promotion offering monthly credit of \$5.00 for subscribing to both Local Plus and the Works Option 3.	26-Oct-99	Pricing Flex.	N/A
21568	SWBT	58	Outgoing Call Control, Business - if purchased with BizSaver or the Works the installation fee is waived	27-Oct-99	Pricing Flex.	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (\$2, \$5, or \$5)	Description of Filing	Date Filed	Type of Filing	Effect No. & Date Implementing Changes
21584	SWBT	58	Network Reconfiguration Service and Transport Resource Management (NRS and TRM) - access services used with DS1 and DS 3 circuits, provides additional features for customers' network control.	29-Oct-99	Pricing Flex.	N/A
21585	SWBT	58	Establishment of customer-specific pricing for Megalink III	29-Oct-99	Pricing Flex.	N/A
21586	SWBT	58	Promotion to offer a one-time \$10.00 credit to customer who agree to retain Business Caller ID service for an additional three months.	29-Oct-99	Pricing Flex.	N/A
21592	SWBT	58	Plexar I and II	1-Nov-99	Pricing Flex.	N/A
21597	SWBT	58	Introduction of a new Bizsaver discount package.	2-Nov-99	Pricing Flex.	N/A
21603	SWBT	58	Term pricing plan for governmental entities	4-Nov-99	Pricing Flex.	N/A
21639	SWBT	58	SWBT BCS - broadband OC3 and OC12 service which may be combined for even larger bandwidths.	12-Nov-99	New Service	N/A
21691	SWBT	58	Access Advantage Plus (AA+) - rate reductions.	19-Nov-99	Pricing Flex.	N/A
21692	SWBT	58	Rate Increase - Business Extra Listings, from \$1.45/mo to \$3.00/mo	19-Nov-99	Pricing Flex.	N/A
21693	SWBT	58	Package: Internet Caller ID, Caller ID Name & Number, Call Forwarding and Remote Access to Call Forwarding, \$23.75/mo	19-Nov-99	Pricing Flex.	N/A
21785	SWBT	58	Moving existing intraLATA toll rates for calls originating from pay phones from the Long Distance Message Telecommunications Service Tariff (LDMTS), Section 2 to the General Exchange Tariff	6-Dec-99	Pricing Flex.	N/A
21827	SWBT	58	New NRC for changes to extra listings for businesses and residence	13-Dec-99	Pricing Flex.	N/A
21862	SWBT	58	Plexar I, II and III One time credits when vertical services are subscribed	17-Dec-99	Price flex	N/A
21863	SWBT	58	Promotion for BizSaver B or E for business customers	17-Dec-99	Pricing Flex.	N/A
21864	SWBT	58	Residence promotion to offer one month credit and I.C. waiver for Caller ID, Call Waiting ID and Anonymous call rejection - Jan. through Feb 2000	17-Dec-99	Price Flex	N/A
21865	SWBT	58	Plexar II Waiver Nonrecurring on 36,48, & 60 mo. contracts	17-Dec-99	Price Flex	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58 or 59)	Description of Filing	Date Filed	Type of Filing	Designation & Party Involved Complaint
21866	SWBT	58	Digiline (SDN) Intro. Customer Specific Contracts	17-Dec-99	Price Flex	N/A
21867	SWBT	58	Business Promotion for C.F. Busy Line and F.C Dont Answer etc., - first month free if taken between Jan. 6, and March 31, 2000	17-Dec-99	Price Flex	N/A
21868	SWBT	58	Promotion for The WORKS for residence customers; credit equal to one month of service (\$18.95) & waiver of I.C. (\$5.40)	17-Dec-99	Pricing Flex.	N/A
21869	SWBT	58	Promotion for The WORKS for business customers; credit equal to one month of service (\$18.95)	17-Dec-99	Pricing Flex.	N/A
21870	SWBT	58	Business Promotion for Caller ID and Anonymous call rejection - waive monthly rate and IC between jan. 1 and March 31, 2000	17-Dec-99	Price Flex	N/A
21887	SWBT	58	Extension of current Promotion for Local Plus business lines - from Sept. 99 to March 32, 2000 - allows for Promotional monthly rates through Dec. 31, 2000	20-Dec-99	Price Flex	N/A
21888	SWBT	58	Extension of Digital Line Promotion	10-Dec-99	Price Flex	N/A
22056	SWBT	58	Direct Line Customer Service	26-Jan-00	Pricing Flex.	N/A
22110	SWBT	58	Modifications to TC 22056 to address some staff concerns.	26-Jan-00	Administrative	N/A
22120	SWBT	58	Pricing Flexibility - discounts for Plexar Vert. Svcs.	14-Feb-00	Pricing Flex.	N/A
22136	SWBT	58	Promotion of Caller ID for Business Customers Pursuant to PURA §58.152	18-Feb-00	Pricing Flex.	N/A
22261	SWBT	58	SWBT - Installation Charges/Optional Features for Business Cust	13-Mar-00	Pricing Flex.	N/A
22342	SWBT	58	SWBT - Outgoing Call Control	29-Mar-00	New Service	N/A
22377	SWBT	58	SWBT - Demarcation Points	6-Apr-00	New Service	N/A
22381	SWBT	58	SWBT - Access Advantage Plus	7-Apr-00	Pricing Flex.	N/A
22403	SWBT	58	SWBT - Pricing Flex - LD Telecomm. Srv Cust Spec Pricing	12-Apr-00	Pricing Flex.	22417AT&T

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 59)	Description of Filing	Date Filed	Type of Filing	Doc#(No. & Date) Including Comments
22418	SWBT	58	SWBT - Directory Assistance Reprice	18-Apr-00	Pricing Flex.	N/A
22421	SWBT	58	SWBT - BASICS for Business Customers	18-Apr-00	Pricing Flex.	N/A
22424	SWBT	58	SWBT - Call Transfer Business Disconnect	18-Apr-00	Pricing Flex.	N/A
22425	SWBT	58	SWBT - Three-Way Calling/Speed Calling 8	18-Apr-00	Pricing Flex.	N/A
22439	SWBT	58	Extension of PLEXAR - II Non-Recurring Charge Waiver Pursuant to PURA §58.152	20-Apr-00	Pricing Flex.	N/A
22445	SWBT	58	Promotion - Caller ID, Call Waiting ID & Anonymous Call Reject for Residence Customers Pursuant to PURA §58.152	21-Apr-00	Pricing Flex.	N/A
22446	SWBT	58	Promotion of The WORKS for residence Customers Pursuant to PURA §58.152	21-Apr-00	Pricing Flex.	N/A
22447	SWBT	58	Promotion of The WORKS, The BASICS, or BIZSAVER for Business Customers Pursuant to PURA §58.152	21-Apr-00	Pricing Flex.	N/A
22479	SWBT	58	Privacy Manager	28-Apr-00	New Service	N/A
22566	SWBT	58	Long Distance Message Service - Customer Specific Pricing	22-May-00	Pricing Flex.	N/A
22567	SWBT	58	Caller ID for Business Customers	22-May-00	Pricing Flexibility	N/A
22596	SWBT	58	Additional Lines for Residence Customers	26-May-00	Pricing Flex.	N/A
22597	SWBT	58	Reprice for Smartcoin	26-May-00	Pricing Flex.	N/A
22684	SWBT	58	Replace amount of Federal SLC in Lifeline Tariff	16-Jun-00	Other	N/A
22696	SWBT	58	Additional Lines for Business Customers	21-Jun-00	Pricing Flex.	N/A
22719	SWBT	58	Residential and Business Call Management	27-Jun-00	Pricing Flex.	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 69)	Description of Filing	Date Filed	Type of Filing	Pocket No. & Party Initiating Complaint
22747	SWBT	58	MegaLink 1.5 Rate Promotion	30-Jun-00	Promotion	N/A
22769	SWBT	58	Operator Services Surcharge Reprice	7-Jul-00	Pricing Flex.	N/A
22770	SWBT	58	Caller ID for Business Customers	7-Jul-00	Promotion	N/A
22774	SWBT	58	MegaLink 1.5 Promotion	10-Jul-00	Promotion	N?A
22300	RIVIERRA TEL CO, INC.	58	Call Forwarding-No Answer, Call Forwarding-Busy, Call Forwarding-No Answer/Busy, Toll Blocking	17-Mar-00	New Service	N/A
21551	TATUM TELE COMPANY	52	New Services: 9 custom calling features, DA, and DA call completion	22-Oct-99	New Service	N/A
22298	TEXAS ALLTEL, INC.	52	Custom Calling Service, ALLSTR & ALLTEL Easy Call Features Pursuant to PURA §52.0583	17-Mar-00	New Service	N/A
22582	TXU COMMUNICATIONS	59	Telepak Services	24-May-00	Pricing Flex.	N/A
21858	UNITED TEL CO - SPRINT	59	Waiver of one month's charge for Call Forwarding-Busy & Call Forwarding-No Answer or Call Forwarding-Busy or No Answer	16-Dec-99	Pricing Flex.	N/A
21503	UNITED TEL CO - SPRINT	59	Promotion - waive one-month's charge for subscribing to Call forward busy or Call Forward No Answer.	13-Oct-99	Pricing Flex	N/A
21574	UNITED TEL CO - SPRINT	59	National Assistance Directory Service: will enable individuals to receive national directory listing info, via the local directory assistance operator, \$.95/call plus operator handled service charges if applicable	28-Oct-99	New Service	N/A
21674	UNITED TEL CO - SPRINT	59	New Service: Enhanced Frame Relay	17-Nov-99	New Service	N/A
21680	UNITED TEL CO - SPRINT	59	Package: Sprint Classics - 3 Way Calling, Call Forward, Return Call, Caller ID Name, Call Forward Busy and No Answer; \$9.00/mo res; \$15.00/mo bus	18-Nov-99	Pricing Flex.	N/A
22411	UNITED TEL CO - SPRINT	59	Waive one month charge for residential subscribers of Call Forwarding-Busy and Call Forwarding No Answer, or the Call Forwarding Services Package	14-Apr-00	Promotion	N/A
22689	UNITED TEL CO - SPRINT	59	Removal of restrictions from National Directory Assistance	19-Jun-00	Other	N/A

Informational Notice Filings by Incumbent Local Exchange Companies

Tariff Control No.	Company	Chapter (52, 58, or 69)	Description of Filing	Date Filed	Type of Filing	Docket No. & Date Initiating Complaint
22326	WEST TX RURAL TEL COOP	52	New Services Pursuant to PURA §52.05883	27-Mar-00	New Service	N/A

APPENDIX F

TX001866	Santa Rosa Telephone Cooperative Inc.	\$0.00	\$2,180.20	\$1,731.80	\$1,730.80	\$1,731.80	\$1,731.80	\$1,731.80	\$10,837.20
TX001867	South Plains Telephone Cooperative Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX001877	Southwest Arkansas Telephone Cooperative, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX001883	Southwest Texas Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX001987	Southwestern Bell Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002028	Sugarland Telephone Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002067	Tatum Telephone Company	\$1,224.28	\$1,224.28	\$1,224.28	\$1,224.28	\$1,224.28	\$1,224.28	\$1,224.28	\$9,794.32
TX002072	Taylor Telephone Cooperative Inc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002116	Texas-Alltel Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002167	Kennville Telephone Company	\$2,508.07	\$1,775.54	\$1,775.54	\$1,775.54	\$1,775.54	\$3,738.00	\$17,386.34	\$0.00
TX002188	La Ward Telephone Exchange, Inc.	\$0.00	\$468.94	\$700.42	\$1,950.36	\$1,950.16	\$1,950.16	\$8,968.40	\$0.00
TX002260	Sprint/United Telephone Co of Texas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002285	Valley Telephone Cooperative, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002328	WT Services, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002342	West-Texas Telephone Cooperative Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002345	West Plains Telecommunications	\$5,507.28	\$5,507.28	\$5,507.28	\$5,507.28	\$5,507.28	\$5,507.28	\$44,058.24	\$0.00
TX002349	West Texas Rural Telephone Cooperative Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002383	XIT Rural Telephone Cooperative Inc.	\$0.00	\$947.97	\$947.97	\$947.97	\$947.97	\$947.97	\$5,687.82	\$0.00
TX002394	XIT Telecommunications & Technology Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002815	Cumby Telephone Cooperative-CLEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TX002837	Santa Rosa Telephone Cooperative - CLEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		\$45,058.10	\$54,683.86	\$61,373.81	\$61,082.31	\$61,082.31	\$61,082.31	\$61,082.31	\$0.00