ii. Identify each BCC for which a mixing zone is proposed.

7. Any mixing zone authorized under section C.3, C.5 or C.6 must be consistent with sections D and E of this procedure, as applicable.

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[FR Doc. 99–25436 Filed 10–1–99; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54, 61, and 69

[CC Docket Nos. 96–262; 94–1; 99–249; 96–45; FCC 99–235]

Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users, and Federal-State Joint Board on Universal Service

AGENCY: Federal Communications Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document seeks comment on whether the Commission should adopt, in its entirety, a proposal submitted by the Coalition for Affordable Local and Long Distance Services (CALLS), as requested by the CALLS members. The CALLS proposal is an integrated interstate universal service and interstate access reform plan covering price cap incumbent local exchange carriers. The document also solicits comment on whether there are any aspects of the proposal that the Commission should incorporate into any of the Commission's concurrent proceedings, in the event we do not adopt the CALLS proposal in its entirety. In addition, the document invites commenting parties to propose alternative plans to that submitted by CALLS.

DATES: Comments are due on or before October 29, 1999. Reply comments are due on or before November 19, 1999.

ADDRESSES: Federal Communications Commission, Secretary, Room TW–A325, 445 12th Street SW, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Richard Lerner, Deputy Division Chief, Common Carrier Bureau, Competitive Pricing Division, (202) 418–1520.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's NPRM adopted September 14, 1999, and released September 15, 1999. The plan as submitted by CALLS is attached as Appendix A. The full text of this NPRM, as well as the complete files for the relevant dockets, is available for inspection and copying during the weekday hours of 9:00 a.m. to 4:30 p.m. in the Commission's Reference Center, Room CY–A257, 445 12th St., SW, Washington, DC, (202) 418–0270, or copies may be purchased from the Commission's duplicating contractor, ITS, Inc., 1231 20th St., NW, Washington, DC 20036, (202) 857–3800. The complete text of the NPRM also may be obtained through the Internet, at http://www.fcc.gov/Bureaus/Common__Carrier/Notices/1999/fcc99235.doc.

Synopsis of Notice of Proposed Rulemaking

1. This NPRM seeks comment on an integrated proposal submitted by CALLS. The CALLS proposal is an interstate universal service and interstate access reform plan covering incumbent price cap local exchange carriers (LECs). The proposal was developed through negotiations among those local exchange carriers and interexchange carriers who are coalition members. It is designed to be implemented over a five-year period beginning in January of 2000 and would apply to those carriers who voluntarily elect to participate. CALLS requests that the Commission adopt the plan without modification as an integrated package. CALLS believes this plan will promote comparable and affordable universal service, reduce long distance bills, and promote competition in rural and residential markets.

2. The NPRM seeks comment on the CALLS proposal to revise the current system of common line charges by combining existing carrier and subscriber line charges into one flat-rated subscriber line charge, and permitting deaveraging of those charges subject to specific conditions. In addition, the NPRM invites parties to comment on the proposal by the CALLS members to establish a portable universal service fund that provides explicit support to replace support currently implicit in interstate access charges. The NPRM solicits further comment on the CALLS proposal to establish a ''social contract'' under which traffic-sensitive switched access rates are reduced annually until they reach an agreed level; once that level is reached, rates for all access elements are frozen until July 1, 2004. Finally, as part of the Commission's continuing efforts to reform regulation of universal service and interstate access charges to accelerate the development of competition in all telecommunications markets, commenting parties are invited to submit alternative plans to that proposed by CALLS.

3. Because some of the issues addressed by the CALLS Proposal involve matters that are already the subject of pending Commission and court proceedings (62 FR 31868, June 11, 1997), the Commission initiates this rulemaking to determine whether it should adopt the CALLS proposal in its entirety, as requested by the CALLS members, or whether certain elements of the proposal should be incorporated into any of the Commission's concurrent efforts to reform interstate access charges and universal service.

A. Ex Parte Presentations

4. This NPRM is a permit-but-disclose proceeding and is subject to the permit-but-disclose requirements under 47 CFR 1206(b), as revised. Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. Other rules pertaining to oral and written presentations are set forth in section 1.1206(b), as well.

B. Initial Regulatory Flexibility Act Analysis

5. As required by the Regulatory Flexibility Act (RFA), the Commission has prepared this Initial Regulatory Flexibility Analysis (IFRA) of the possible significant economic impact on small entities by the proposals in this NPRM. *See* 5 U.S.C. 603. The RFA, *see* 5 U.S.C. 601 *et seq.*, has been amended by the Contract with America Advancement Act of 1996, Public Law No. 104–121, 110 Stat. 847 (1996) (CWAA). Title II of the CWAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). Written public comments are requested on the IFRA. Comments must be identified as responses to the IFRA and must be filed in accordance with the same filing deadlines as comments on the rest of this NPRM. Parties should address the extent to which the CALLS proposal would affect large and small price cap incumbent local exchange carriers differently, and how small business entities, including small price cap incumbent local exchange carriers, would be affected. The Office of Public Affairs, Reference Operations Division, will send a copy of the NPRM, including this IFRA, to the Chief Counsel for Advocacy of the Small Business Administration. *See* 5 U.S.C. 603(a). In addition, the NPRM and IFRA (or summaries thereof) will be published in the **Federal Register**.

6. *Need for, and Objectives of, the Proposed Rules.* The CALLS members offer the proposal as a comprehensive solution to the members' access charge, universal service, and price cap concerns. The CALLS plan would revise the current system of common line charges by combining existing carrier and subscriber charges into one flat-rated subscriber line charge (SLC), and would provide for limited deaveraging of those charges under specific conditions. The CALLS plan also would establish a portable universal service fund that provides explicit support to replace support currently implicit in interstate access charges. In addition, the CALLS plan would establish a ''social compact'' under which traffic-sensitive switches access rates are reduced annually until they reach an agreed level. CALLS believes this plan will promote comparable and affordable universal service, reduce long distance bills, and promote competition in rural and residential telecommunications markets.

7. *Legal Basis.* This rulemaking action is supported by 47 U.S.C. 154(i), 154(j), 201–205, 254, and 403.

8. *Description and Estimate of the Number of Small Entities to Which the NPRM Will Apply.* The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term ''small entity'' as having the same meaning as the term ''small business''. *See* 5 U.S.C. 601(3) (incorporating by reference the definition of ''small business concern'' in 15 U.S.C. 632). In addition, the term ''small business'' has the same meaning as the term ''small business concern'' under the Small Business Act. A small business concern is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration. The Small Business Administration has defined a small business for Standard Industrial Classification (SIC) category 4813 (Telephone Communications, Except Radiotelephone) to be a small entity that has no more than 1,500 employees. *See* 13 CFR 121.201.

9. *Total Number of Telephone Companies Affected.* The Commission has included small incumbent LECs in this present RFA analysis. As noted above, a ''small business'' under RFA is one that, *inter alia*, meets the pertinent small business size standard (*e.g.*, a telephone communications business having 1,500 or fewer employees), and ''is not dominant in its field of operation.'' The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not ''national'' in scope. The Commission has therefore included small incumbent LECs in this RFA analysis, although it emphasizes that this RFA action has no effect on FCC analyses and determinations in other, non-RFA contexts.

10. *Price Cap Local Exchange Carriers.* This rulemaking applies only to price cap LECs. The Commission does not have data specifying the number of these carriers that are either dominant in their field of operations, are not independently owned and operated, or have more than 1,500 employees, and thus is unable at this time to estimate with greater precision the number of price cap LECs that would qualify as small business concerns under the SBA's definition. However, there are only 13 price cap LECs, and we know that these are mostly non-small entities. Consequently, we estimate that significantly fewer than 13 providers of local exchange service are small entities or small price cap LECs that may be affected by these proposals.

11. *Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements.* It is not clear whether, on balance, the proposals made by CALLS would increase or decrease price cap incumbent local exchange carriers' administrative burdens. Some of the rate structure reforms proposed by CALLS may require additional filings, and some of the CALLS proposals may reduce some administrative burdens. For example, if the CALLS proposal to eliminate the presubscribed interexchange carrier charge is adopted, the Commission expects that this would decrease some administrative burdens for price cap incumbent local exchange carriers. Some of the rate structure reforms proposed by CALLS may have a neutral affect in terms of administrative burdens. For example, CALLS proposes that implicit subsidies now collected by price cap incumbent local exchange carriers from interexchange carriers through access charges would be collected as explicit subsidies from the Universal Service Fund Administrator. If this proposal is adopted, the administrative burden for the price cap incumbent local exchange carrier is expected to remain the same.

12. *Steps Taken To Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered.* The proposals made by CALLS could have varying positive or negative impacts on price cap incumbent local exchange carriers, including any such small carriers. The alternative to consideration of adopting the CALLS proposal at this time would be to continue in effect the existing access charge and universal service fund rules. We seek comment on the economic impact on small entities of the CALLS proposal and urge that the parties support their comments with specific evidence and analysis.

13. *Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules.* None.

C. Deadlines and Instructions for Filing Comments

14. Pursuant to 47 CFR 1.415 and 1.419, interested parties may file comments on or before October 29, 1999 and reply comments on or before November 19, 1999. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See* Electronic Filing Documents in Rulemaking Proceedings, 63 FR 24,121 (1998).

15. Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov.e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. Because four docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each of the four docket or rulemaking numbers referenced in the caption. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, ''get form <your e-mail address.'' A sample form and directions will be sent in reply.

16. Parties who choose to file by paper must file an original and ten (10) copies of each filing. All paper filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 Twelfth Street, SW, TW-A325, Washington, DC 20554.

D. Ordering Clauses

17. *It is ordered*, pursuant to sections 1, 4(i) and (j), 201–209, 218–222, 254, and 403 of the Communications Act, as amended, 47 U.S.C. 151, 154 (i), 154(j),

201–209, 218–222, 254, and 403, that this Notice of Proposed Rulemaking is hereby adopted and comments are required.

18. *It is further ordered* that the Commission's Office of Public Affairs, Reference Operations Division, shall send a copy of this Notice of Proposed Rulemaking, including the Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

List of Subjects

47 CFR Part 54

Reporting and recordkeeping requirements, Telecommunications, Telephone.

47 CFR Part 61

Access charges, Communications common carriers, Reporting and recordkeeping requirements, Telephone.

47 CFR Part 69

Communications common carriers, Reporting and recordkeeping requirements, Telephone.

Federal Communications Commission.

Magalie Roman Salas,

Secretary.

Appendix A: Universal Service and Access Reform Proposal

The companies agree to the following positions, provided these positions are adopted as an integrated package through FCC rulemaking, with an effective date for the changes of January 1, 2000 except as otherwise noted. (We have used January 1, 2000 for discussion purposes. The actual date will have to be adjusted to account for Y2K issues.) The proposal is an integrated proposal addressing and settling the parties' access charge/price cap/universal service concerns. Because of the complexity and interdependence of the various facets of the proposal, the parties view it as a unified proposal that the FCC should either adopt without modification or reject.

1. ILEC Recovery of Universal Service Contributions. Reconsider the requirement that price cap incumbent LECs (ILECs) recover universal service contributions through adjustments to the Price Cap baskets and services that generate end user revenue, and permit price cap incumbent LECs to establish a separate rate element to recover universal service contributions. (*See* May 7, 1997 Access Reform Order at paragraph 379 (stating that price cap ILECs may treat their universal service contributions as exogenous changes to price cap indices, that recovery may only be in baskets that generate end user revenue, and that the baskets generating end user revenue are common line, interexchange and trunking.))

1.1. The USF rate element will be charged to all end users.

1.2. The USF rate element may be assessed on a per line basis or as a percentage of interstate retail revenues, and at the option of the ILEC it may be combined for billing purposes with other end user retail rate elements.

1.3. Upon implementation, ILEC USF assessments (a) are removed from existing price cap baskets at the same percentage adjustment as they went into the price cap baskets using an ''R'' value adjustment methodology similar to that which had been prescribed by the FCC for reversal of sharing, and (b) are not subject to the Price Cap formula in future years.

1.4. An ILEC opting to assess the USF rate element on a per line basis may apply that charge using the ''equivalency'' relationships established for the multiline business PICC for Primary Rate ISDN service, as per 69.153(f)(2), and for Centrex lines, per 69.153(g)(1).

2. Common Line Rate Structure Simplification, Deaveraging of Common Line Rates and Universal Service.

Overview: SLCs, PICCs and CCL are ultimately unified into a single charge, which can be deaveraged, but which will not exceed $7.00 for residential and single line business lines and $9.20 for multiline business lines. Residential and Single Line Business End User and Presubscribed Interexchange Carrier Charges are combined into a single end user charge. For primary residential lines and single line business lines, the combined total in most, but not all, areas will be approximately $5.50 on January 1, 2000. In subsequent years, the primary residential and single line business common line transition continues as the nominal SLC cap for those lines increases to $6.25 on January 1, 2001, to $6.75 on July 1, 2002, and to $7.00 on July 1, 2003. The maximum Primary Residence/ Single Line Business SLC in any zone is the lower of the nominal cap, or average price cap common line revenue per line (which includes all charges currently collected through SLCs, PICCs, CCL and a portion of local switching, but does not include ILEC USF contributions) for the highest cost UNE zone in a study area. For non-primary residential lines, the combined total charge will be capped at the lower of $7.00 or the greater of the current rate or average price cap common line revenue per line for the highest average revenue per line UNE zone in a study area.

For multiline business lines, End User and Presubscribed Interexchange Carrier Charges are not combined, and the Multiline Business (MLB) PICC will continue to be charged by the ILEC to the Interexchange Carrier. However, the MLB PICC falls dramatically for most companies as a result of reforms in other flat-rated common line charges, and the MLB PICC is eventually eliminated in most areas. Except where a carrier reduces the rate through voluntary reductions, multiline business SLCs initially will be frozen until the carrier's MLB PICC and CCL are eliminated.

Average Carrier Common Line charges immediately fall dramatically and are eventually eliminated in most areas as a result of an additional $650 million in universal service funding to replace implicit support currently in interstate access charges and of increasing the Primary Residential and Single Line Business SLCs.

Lifeline support would increase to hold Lifeline customers harmless against SLC rate restructuring.

SLCs can be deaveraged subject to certain limitations. Geographic deaveraging does not increase permitted price cap common line revenues (which includes all charges other than ILEC universal service contributions currently collected through SLCs, PICCs, and CCL). ILECs may only geographically deaverage their SLCs on the same geographic basis as state-approved UNE loop zones. ILECs can have up to 4 SLC zones, absent FCC review and approval. ILECs can choose which zones to consolidate if they have more than 4 UNE zones. SLCs in lower cost zones cannot be greater than SLCs in the same customer class in higher cost zones. Within a given zone, the Multiline Business SLC cannot fall below the Non-Primary Residential SLC, which cannot be less than the Primary Residential and Single Line Business SLC. For geographic deaveraging other than through voluntary reductions, an ILEC must eliminate its CCL and MLB PICC before it can begin geographically to deaverage the SLC, and an ILEC's deaveraged SLC in the lowest cost zone cannot be less than a minimum level. A deaveraged price cap common line revenue per line is calculated for each zone. The relative price cap revenue per line in each zone reflects the relative UNE rates in that zone, and the level of revenue per line in each zone is such that the ILEC can recover total permitted price cap common line revenues. The parties do not agree whether limits on deaveraging through voluntary reductions are necessary.

The proposal provides new federal universal service support (separate and distinct from the current universal service support for high cost areas) of $650 million per year to replace implicit support in interstate access charges for price cap LECs. In any UNE loop deaveraging zone where the average common line revenue per line for that zone would exceed $7.00 per line for residential lines and $9.20 for multiline business lines, this additional interstate universal service support would provide a portion of the difference. This proportion would be set to ensure that the overall amount of USF support to replace implicit support in interstate access rates for all price cap LEC areas does not exceed $650 million nationwide. The new interstate USF Support would ensure that, even after deaveraging, the SLC would not exceed $7.00 for residential customers anywhere, or $9.20 for multiline business customers. The amount of universal service support to each study area is also adjusted on a three year phased-in basis so that by July 1, 2003, CCL and multiline business PICC charges will be eliminated in most areas served by price cap ILECs.

This new universal service funding would be portable to other eligible telecommunications carriers. The amount that would be portable for each line would be deaveraged by zone within any study area that receives such support.

Any new interstate USF funds to replace implicit support in interstate access charges for price cap LECs will first offset carrier common line charges, then offset multiline business PICC charges, and then offset amounts that would otherwise be collected through Subscriber Line Charges, which may be deaveraged.

2.1. Reform and Simplification of Subscriber Line Charges (SLCs) and Presubscribed Interexchange Carrier Charges (PICCs).

2.1.1. Terms.

2.1.1.1. Price Cap Common Line, Marketing, TIC (''CMT'') Revenue. Price Cap Common Line, Marketing, and TIC Revenue is the total revenue a filing entity would be permitted to receive for Subscriber Line Charges, Presubscribed Interexchange Carrier Charges, Carrier Common Line Charges, and the portion of local switching reallocated pursuant to paragraph 3.2. Price Cap CMT Revenue includes marketing expenses presently collected pursuant to FCC rule 69.156(a), and residual interconnection charge revenues collected through PICC charges, but it does not include the current recovery of incumbent LEC universal service contributions that are first removed from existing price cap baskets pursuant to paragraph 1.3.

2.1.1.2. Average Price Cap CMT Revenue Per Line. The Average Price Cap CMT Revenue Per Line is Price Cap CMT Revenue per month as of December 31, 1999 using base period demand, divided by the base period demand number of lines as of December 31, 1999. In filing entities with multiple study areas, if it becomes necessary to calculate the Price Cap CMT Revenue Per Line for a specific study area, then the Price Cap CMT Revenue Per Line for that study area is determined as follows, using base period demand revenues, BFPs and lines as of December 31, 1999:

$$\text{PriceCapCMTRevenuePerLine}_{\text{StudyArea}} = \text{PriceCapCMTRevenue}_{\text{FilingEntity}} \times (\text{BFP}_{\text{StudyArea}} \div \text{BFP}_{\text{FilingEntity}}) \div \text{Lines}_{\text{StudyArea}}$$

Nothing in this definition precludes a price cap LEC from continuing to average rates across filing entities containing multiple study areas, where permitted under existing rules.

2.1.1.3. Zone Average Revenue Per Line. Zone Average CMT Revenue Per Line is the Price Cap CMT Revenue Per Line calculated for a particular state-defined zone used for deaveraging of UNE loop prices. The Zone Average Revenue Per Line is computed according to the following formula:

$$\text{ZoneAverageRevenuePerLine} = 25\% (\text{Loop}_{\text{ZonePrice}} + \text{Port}_{\text{Price}}) + U$$

Where:

$$U \text{ (Uniform Revenue Per Line Adjustment)} = ((\text{PriceCapCMTRevenuePerLine}_{\text{StudyArea(s)}} \times \text{Base Period Lines}_{\text{StudyArea(s)}} - (25\% \text{ Sum of } (\text{Lines}_{\text{UNEZone}} \times \text{Loop\&Port Price}_{\text{UNEZone}} \times 12) \text{ for each zone})) \div \text{Base Period Lines}_{\text{Study Area(s)}} \div 12$$

$\text{Loop\&Port Price}_{\text{UNE Zone}}$ = the UNE rates for unbundled loop and switch ports in that UNE zone.(As stated in paragraph 5, nothing in this proposal supercedes, prejudices or otherwise implies a result of the UNE Remand proceeding.)

2.1.2. Primary Residential and Single Line Business Charges.

2.1.2.1. Presubscribed Interexchange Carrier Charge. Beginning on January 1, 2000, eliminate the primary residential line and single line business Presubscribed Interexchange Carrier Charge.

2.1.2.2. Subscriber Line Charge.

2.1.2.2.1. Averaged Subscriber Line Charge. Beginning on January 1, 2000, the maximum averaged Subscriber Line Charge for primary residential and single line business lines in a given entity will be Average Price Cap CMT Revenue per Line up to a nominal cap of $5.50. ($5.50 is equivalent to the current primary residential SLC, PICC-related account fees charged to the vast majority of presubscribed residential long distance subscribers, and the 50 cent increase in the PICC cap for primary residential and single line business subscribers scheduled to go into effect on July 1, 2000.) Beginning on January 1, 2001, in lieu of what would have been scheduled annual increases in the cap on the primary residential line and single line business Presubscribed Interexchange Carrier Charge of $0.50, plus inflation, increase the nominal cap on primary residential and single line business Subscriber Line Charges according to the following schedule:

On January 1, 2001, to $6.25;
On July 1, 2002, to $6.75;
On July 1, 2003, to $7.00 per line.

2.1.2.2.2. Zone Deaveraged Subscriber Line Charge.

2.1.2.2.2.1. Maximum Charge. The maximum zone deaveraged SLC that may be charged in any zone is the lesser of the highest Zone Average Revenue Per Line within the study area, or a nominal cap, which as of January 1, 2000 is $5.50 per line per month. Beginning on January 1, 2001, increase the nominal cap on primary residential and single line business Subscriber Line Charges according to the following schedule:

On January 1, 2001, to $6.25;
On July 1, 2002, to $6.75;
On July 1, 2003, to $7.00 per line.

2.1.2.2.2.2. Minimum Charge. See paragraph 2.1.5.6.2.

2.1.2.3. Lifeline. Increase minimum federal Lifeline support effective January 1, 2000, and coincident with changes in nominal SLC caps thereafter, so that all of the Subscriber Line Charge continues to be waived for Lifeline customers, with carriers reimbursed from the Universal Service Fund. In subsequent years, increase minimum federal Lifeline support in the same amount as increases in the primary residential Subscriber Line Charge.

2.1.3. Non-Primary Residential Lines.

2.1.3.1. Presubscribed Interexchange Carrier Charges. Beginning on January 1, 2000, eliminate the PICC for Non-Primary Residential lines.

2.1.3.2. Subscriber Line Charges.

2.1.3.2.1. Averaged Subscriber Line Charges. Beginning on January 1, 2000, the maximum averaged Subscriber Line Charge for non-primary residential lines in a given entity will be the lesser of:

(a) $7.00 or

(b) The greater of:

(1) The rate as of December 31, 1999 less amounts of SLC reduction pursuant to paragraph 2.1.6, or

(2) Average Price Cap CMT Revenue Per Line.

2.1.3.2.2. Zone Deaveraged Subscriber Line Charge.

2.1.3.2.2.1. Maximum Charge. The maximum Zone Deaveraged Non-Primary Residential Subscriber Line Charge will be the lesser of $7.00 per line per month or the highest Zone Average Revenue Per Line for any zone in the study area.

2.1.3.2.2.2. Minimum Charge. See paragraph 2.1.5.6.2.

2.1.3.2.3. Elimination of Distinction between Primary and Non-Primary Residential Lines. Once the charges for primary and non-primary residential lines are equal within a zone or study area, the ILEC may eliminate the distinction between primary and non-primary lines within that zone or study area.

2.1.4. Multiline Business Lines.

2.1.4.1. Presubscribed Interexchange Carrier Charges.

Beginning on January 1, 2000, the cap on the Multiline Business PICC is reduced to $4.00 per line. Multiline Business PICCs remain assessed to the interexchange carrier. This charge will be eliminated over time in most areas pursuant to paragraph 2.1.6.

2.1.4.2. Subscriber Line Charges.

2.1.4.2.1. Averaged Subscriber Line Charges. Beginning on January 1, 2000, and in the absence of voluntary reductions, the averaged Subscriber Line Charge for multiline business lines in a given entity that has not deaveraged SLCs will be the lesser of:

(a) $9.20 or

(b) The greater of:

(1) The rate as of December 31, 1999, less amounts of SLC reductions pursuant to paragraph 2.1.6 or

(2) Average Price Cap CMT Per Line.

Except when the incumbent LEC reduces the rate through voluntary reductions, the averaged multiline business SLC initially will be frozen until the entity's multiline business PICC and CCL are eliminated.

2.1.4.2.2. Zone Deaveraged Subscriber Line Charge.

2.1.4.2.2.1. Maximum Charge. The maximum Zone Deaveraged Multiline Business Subscriber Line Charge will be the lesser of $9.20 per line per month or the highest Zone Average Revenue Per Line for any zone in the study area.

2.1.4.2.2.2. Minimum Charge. See paragraph 2.1.5.6.2.

2.1.5. Limitations on Deaveraging of Subscriber Line Charges. Except as otherwise noted, these limitations apply both to deaveraging pursuant to 2.1.6(4) and to deaveraging through voluntary reductions.

2.1.5.1. All Geographic Deaveraging According to UNE zones. All geographic deaveraging of SLCs by customer class must be done according to UNE zones. If a state has not created geographically deaveraged UNE rates for loops, the incumbent LEC may not deaverage its SLCs in that state. (As stated in paragraph 5, nothing in this proposal supercedes, prejudices or otherwise implies a result of the UNE Remand proceeding.) (footnote omitted.)

2.1.5.2. No More Than 4 Zones for Interstate Pricing and Interstate Universal

Service Purposes Without FCC Approval. Solely for the purposes of determining interstate subscriber line charges and the interstate universal service funding described in Section 2.2, an ILEC may not have more than four geographic SLC/USF zones absent a review by the FCC. Where an ILEC has more than four state-created UNE zones and the FCC has not approved use of additional zones, the ILEC will determine, at its discretion, which state-created UNE zones to consolidate so that it has no more than four zones for the purpose of determining interstate subscriber line charges and interstate universal service funding.

2.1.5.3. Relationship Between Multiline Business, Non-Primary Residential And Primary Residential And Single Line Business SLCs Within A UNE Zone. Within a given UNE zone, the multiline business SLC may not be lower than the SLC for non-primary residential lines, and the non-primary residential line SLC may not be lower than the primary residential and single line business SLC.

2.1.5.4. Relationship Between SLCs for the Same Customer Class in Different UNE Zones in a Study Area. For any given customer class (i.e. Primary Residential and Single Line Business, Non-Primary Residential, or Multiline Business) and any given zone, the Zone Deaveraged SLC in that zone must be greater than or equal to the Zone Deaveraged SLC in the zone with the next lower Zone Average Revenue Per Line. (That is, Zone 4 SLCs must be greater than or equal to Zone 3 SLCs, which must be greater than or equal to Zone 2 SLCs, which must be greater than or equal to Zone 1 SLCs, where Zone 1 is the zone with the lowest Zone Average Revenue Per Line, and Zone 4 (if there is one) is the zone with the highest Zone Average Revenue Per Line).

2.1.5.5. Revenues From all Zones Cannot Exceed Revenues from Averaged SLCs.

The parties have discussed two alternate ways of implementing a restriction that precludes incumbent LEC from increasing permitted Price Cap CMT revenues through deaveraging. The parties will present their respective views to the FCC as to the appropriateness of each alternative.

Alternative 1—Filing Entity

The sum of revenues per month that would be generated from all deaveraged SLCs in all SLC deaveraging zones within a filing entity plus revenues per month from all SLC, multiline business PICC and CCL charges from study areas within that filing entity that have not geographically deaveraged SLCs plus the sum of all Study Area Access Universal Service Support in all study areas within the filing entity, divided by the number of lines cannot exceed Average Price Cap CMT Revenue Per Line for the filing entity.

Alternative 2—Study Area and Filing Entity

The sum of all revenues per month that would be generated from all deaveraged SLCs in all zones within a study area plus Study Area Access Universal Service Support for that study area divided by the number of lines in that study area cannot exceed Average Price Cap CMT Revenue Per Line for that study area. In addition, the sum of revenues per month that would be generated from all deaveraged SLCs in all SLC deaveraging zones within a filing entity plus revenues per month from all SLC, multiline business PICC and CCL charges from study areas within that filing entity that have not geographically deaveraged SLCs plus the sum of all Study Area Access Universal Service Support in all study areas within the filing entity, divided by the number of lines cannot exceed Average Price Cap CMT Revenue Per Line for the filing entity.

2.1.5.6. Limitations Applicable Only To Zone SLC Deaveraging Pursuant To Paragraph 2.1.6, or Through Increases in Other Zone Deaveraged SLCs.

2.1.5.6.1. Elimination of PICC and CCL Prior to SLC Deaveraging. Except where an incumbent LEC deaverages through voluntary reductions, before an incumbent LEC may begin geographically deaveraging its SLC rates, its Originating and Terminating CCL and Multiline Business PICC rates must equal $0.00. Deaveraging through voluntary reductions may be undertaken without regard to the levels of the CCL or Multiline Business PICCs.

2.1.5.6.2. Minimum Charge. Except where the incumbent LEC chooses to lower the deaveraged SLC through voluntary reductions, the minimum Zone Deaveraged Subscriber Line Charge in any zone in a study area is at least the lowest Zone Average Revenue Per Line for any zone in that study area. The parties do not agree as to whether the Minimum Charge should also be adjusted to reflect a portion of those Study Area Above Cap Revenues not offset by Study Area Universal Service Support, and the parties will advocate their respective positions to the Commission. The parties do not agree as to whether limits on deaveraging through voluntary reductions are necessary, and will advocate their respective positions to the Commission.

2.1.5.6.3. Voluntary Reduction. A ‘‘Voluntary Reduction’’ is one in which the incumbent LEC reduces prices other than through offset of net increase in subscriber line charge revenues or universal service revenues pursuant to paragraph 2.1.6, or through increases in other zone deaveraged Subscriber Line Charges.

2.1.6. Phased Elimination of Carrier Common Line and Multiline Business Presubscribed Interexchange Carrier Charges, and SLC Deaveraging. Each year, the net increase in maximum permitted Subscriber Line Charge revenues (calculated by summing across all line classes in a study area the products of the maximum permitted Averaged Subscriber Line Charge for each class times the number of lines in each class times 12, and subtracting the sum across all line classes in a study area the products of the maximum permitted Averaged Subscriber Line Charge during the base period for each class times the number of lines in each class times 12) from changes specified in paragraph 2, and any universal service revenues received pursuant to paragraph 2.2, will be offset by reducing charges as follows, in order of priority:

(1) Terminating CCL Charges until the Terminating CCL rate is $0.00; then

(2) Originating CCL Charges until the Originating CCL rate is $0.00; then

(3) Multiline Business PICC until the Multiline Business PICC rate is $0.00; then

(4) Subscriber Line Charges, which may be deaveraged pursuant to paragraph 2.1.5, above.

(**Note:** This is the existing order of offsets, once the residential (primary and non-primary) and single line business PICCs are stricken.)

2.2. New Universal Service for Areas Served by Price Cap Incumbent LECs.

2.2.1 Implicit Support in Interstate Access Charges by Price Cap LECs. The total amount of universal service funding that is targeted to offset implicit support in interstate access charge rates (‘‘Access USF’’) for areas served by price cap incumbent LECs is $650 million per year. (New federal universal service support to replace implicit support in interstate access charges by price cap LECs does not include support calculated under FCC Rules 54.301 (DEM Weighting), 54.303 (Long Term Support), or 36.601 *et seq.* (Part 36 Universal Service Fund), or support expressly designated by the FCC to offset costs allocated to the intrastate jurisdiction.) This size for Access USF assumes a final nominal residential and single line business SLC cap of $7.00, and a final nominal multiline business SLC cap of $9.20 for multiline businesses. Changes in the level of these caps would change the appropriate level of universal service funding. It also assumes that all price cap LECs are included. It also assumes that the new program will cover the areas currently served by all price cap LECs, except those offered for sale before January 1, 2000, and sold to a non-price cap company. If any such area does not participate in the program, either because the price cap LEC does not participate, or because the area is offered for sale after January 1, 2000, and sold to a non-price cap company, then the funding estimated for that area pursuant to paragraph 2.2.3.1.1 will not be collected or distributed as part of this plan for price cap LECs.

2.2.2. Minimum Access USF StudyArea. For each study area, the minimum amount of Access USF support that study area would receive is calculated as follows:

$$\mathrm{MinimumAccessUSF}_{\mathrm{StudyArea}} = \mathrm{PriceCapCMTRevenues}_{\mathrm{StudyArea}} - ((\$7.00 \times \mathrm{Residential\ \&\ SingleLineBusinessLines}_{\mathrm{StudyArea}} \times 12) + (\$9.20 \times \mathrm{MultilineBusinessLines}_{\mathrm{StudyArea}} \times 12),\ )$$

Where:

$$\mathrm{PriceCapCMTRevenue}_{\mathrm{StudyArea}} = \mathrm{PriceCapCMTRevenue}_{\mathrm{FilingEntity}} \times (\mathrm{BFP}_{\mathrm{StudyArea}} \div \mathrm{BFP}_{\mathrm{FilingEntity}})$$

2.2.3. Calculation of Access USF Per Line.

2.2.3.1. Terms.

2.2.3.1.1. Zone Above SLC Cap Revenues. For each zone, the above cap revenues for that zone are calculated according to the following formula:

$$\text{ZoneAboveSLCCapRevenues} = ((\text{ZoneAverageRevenuePerLine} - \$7.00) \times \text{Residential\&SingleLineBusinessLines}_{\text{StudyArea}} \times 12) + ((\text{ZoneAverageRevenuePerLine} - \$9.20) \times \text{MultilineBusinessLines}_{\text{StudyArea}} \times 12)$$

The zones used for determining universal service will be the same zones that would be used for any SLC deaveraging, as described in paragraph 2.1.5.2. Where an ILEC has consolidated zones pursuant to paragraph 2.1.5.2, the consolidated zone is used for determining universal service.

(a) For the purposes of distributing Access USF, Zone Average Revenue Per Line should be calculated pursuant to paragraph 2.1.1.3, except that Loop&Port Price$_{\text{UNE Zone}}$ could either be (1) the cost projected by an FCC-approved cost model, or (2) the rates for unbundled UNE loops and switch ports in that UNE zone. Parties differ as to the relative merits of using proxy cost model outputs or state-established UNE rates for this calculation, and will present their respective views.

(b) In states that have not established UNE zones, support will be determined on a study area basis, as described in paragraph 2.2.3.3. For purposes of calculating Access USF support for study areas in states that have not established UNE zones, an interim estimate of Zone Above SLC Cap Revenues will be calculated by using the FCC Proxy Cost Model or other substitute method if no model is available. In order to develop this estimate, zones will be established by assigning the lowest cost one third of lines to Zone 1, the highest cost one third of lines to Zone 3 and the remaining lines to Zone 2.

2.2.3.1.2. Study Area Above Cap Revenues. For each study area, Study Area Above Cap Revenues is calculated by summing the Zone Above SLC Cap Revenues for all zones in the study area.

2.2.3.1.3. Nationwide Total Above Cap Revenues. Nationwide Total Above Cap Revenues is the sum of all Study Area Above Cap Revenues nationwide for all price cap incumbent LEC study areas.

2.2.3.2. Study Area Access USF Support. Each study area's Access USF support is calculated according to the following steps:

Step 1: Calculate Preliminary Access USF Support

Preliminary Access USF Support is calculated according to the following formula:

$$\text{UniversalServiceSupport} = \text{Sum of Above Cap Revenues} \times (\$650 \text{ million} \div \text{Total Nationwide Above Cap Revenues})$$

Step 2: Calculate the Minimum Support Requirement

If the Minimum Access USF$_{\text{Study Area}}$ (*See* paragraph 2.2.2.) exceeds the Preliminary Study Area Universal Service Support (''PSAUSS'') then the Minimum Support Requirement for that study area is calculated using the following process:

A. For each study area, calculate the Study Area Minimum Delta. Study Area Minimum Delta = Minimum Access USF$_{\text{Study Area}}$— Preliminary Study Area Universal Service Support.

B. Nationwide, calculate the Total National Minimum Delta, which equals the sum of all Study Area Minimum Deltas.

C. (1) If the Total National Minimum Delta is less than or equal to $75 million then the Minimum Adjustment Amount is:

$$\text{Minimum Adjustment Amount} = \text{Phase In Percentage} \times \text{Minimum Delta}.$$

(2) If the Total National Minimum Delta is greater than $75 million, then the Minimum Adjustment Amount is:

$$\text{Minimum Adjustment Amount} = (\text{Phase In Percentage}) \times (\text{Minimum Delta}) \times (\$75 \text{ million} \div \text{Total National Minimum Delta})$$

The Phase In Percentage is:

50% on January 1, 2000
5% on January 1, 2001
100% on July 1, 2002

For those study areas with a Minimum Adjustment Amount, the Minimum Support Requirement is:

$$\text{Minimum Support Requirement} = \text{Preliminary Study Area Universal Service Support} + \text{Minimum Adjustment Amount}.$$

Step 3: Determine the Study Area Universal Service Support

For study areas with a Minimum Support Requirement, Study Area Universal Service Support equals Minimum Support Requirement.

For study areas with no Minimum Support Requirements:

(1) Determine the Total National Minimum Support Requirement (TNMSR), which equals the sum of all Minimum Support Requirements.

(2) Study Area Universal Service Support is determined as follows:

$$\text{Study Area Universal Service Support} = \text{PSAUSS} \times (\$650 \text{ million} - \text{TNMSR} \div \text{Nationwide Sum of PSAUSS for Study Areas where MSR is } \$0)$$

The above calculations ensure that the Total Interstate Implicit Support Fund does not exceed $650 million while the Study Area Minimum Support Requirements are phased in as the Primary Residential and Single Line Business Subscriber Line Charge increases to $7.00.

2.2.3.3. No Access USF Above The Minimum Support Requirement For A Study Area That Has No Zone Deaveraged Prices For UNE Loops. Notwithstanding the calculations in paragraph 2.2.3.2, in any study area for which the incumbent LEC has not established zone deaveraged UNE loop prices approved by the state, the incumbent LEC will receive no Access USF Support unless the study area has a Minimum Support Requirement, in which case the Study Area Universal Service Support shall equal the Minimum Support Requirement. If an incumbent LEC establishes deaveraged UNE loop prices after January 1, 2000, then beginning with the subsequent quarter after it implements deaveraged UNE loop rates, that entity will receive the amount of Access USF support previously calculated pursuant to paragraph 2.2.3.2 using the methodology described in paragraph 2.2.3.1.1(b). When Access USF support is subsequently recalculated to redistribute Access USF among Price Cap ILEC service territories, support for that entity will be calculated pursuant to paragraph 2.2.3.1.1.(a). (As stated in paragraph 5, nothing in this proposal supercedes, prejudices or otherwise implies a result of the UNE Remand proceeding.)

2.2.4. Determination of Portable Access USF Support Per Line. Portable Access USF Support Per Line is the amount of new interstate universal service funding to replace implicit support in interstate access that an eligible telecommunications carrier receives for serving a customer. This support is portable between eligible telecommunications carriers as customers change service providers.

2.2.4.1. Portable Access USF Support Per Line When Deaveraged UNE Loop Rates Have Not Been Established. When Deaveraged UNE Loop Rates have not been established in a study area, the Portable Access USF Support Per Line for that study area is Study Area Universal Service Support divided by total lines in the study area.

2.2.4.2. Portable Access USF Support Per Line When Deaveraged UNE Loop Rates Have Been Established.

The parties have discussed two alternate ways to allocate universal service support to zones and line-types within those zones. The parties will present their respective views to the FCC as to the appropriateness of each alternative means of allocating universal service support to lines within a study area.

Alternative 1

Proportionate Allocation. Within each study area, determine the percentage proportion of Study Area Universal Service Support to Study Area Above Cap Revenues. Within each zone and customer class (i.e. residential/single line business and multiline business for each zone), total universal service support for that zone and customer class is that same proportion of the Above Cap Revenues for that zone and customer class. That is:

$$\text{Universal Service}_{\text{CustomerClassByZone}} = \text{AboveCapRevenues}_{\text{CustomerClassbyZone}} \times (\text{StudyAreaUniversalServiceSupport} \div \text{StudyAreaAboveCapRevenues})$$

Portable Universal Service Support Per Line in any given zone and customer class is Universal Service Customer$_{\text{ClassByZone}}$ divided by the total number of lines of the customer class within that zone.

Alternative 2

Highest Cost Zone First. The funding in each study area will be made portable for lines in the highest cost zone first, and will ''cascade'' to lines in lower cost zones to the extent that sufficient funding is available. Beginning with the zone with the highest Zone Average Revenue Per Line, funding will be applied in the following order of priority:

(1) To all lines in the highest zone, to eliminate the amount per line by which Zone Average Revenue Per Line exceeds the higher of $9.20 or the Average Revenue Per Line in the next highest zone;

(2) If the Zone Average Revenue Per Line in the next highest zone is greater than $9.20, then to all lines in both zones to eliminate the amount per line by which Zone Average Revenue per Line exceeds $9.20;

(3) To all residential and single line business lines in the highest zone, to eliminate the amount per line that Zone Average Revenue Per Line for these lines exceeds the higher of $7.00 or Average Revenue Per Line in the next highest zone;

(4) If the Zone Average Revenue per Line in the next highest zone is greater than $7.00, then to all residential and single line business lines in both zones to eliminate the amount per line by which Zone Average Revenue Per Line exceeds $7.00.

This ''cascade'' process will continue until all of the available funding has been assigned to lines by zone and by customer class; it may extend in similar fashion to additional zones, to the extent that their Zone Average Revenue per Line exceeds the $9.20 and $7.00 caps, and available funding permits. The per-line amount assigned to each multiline business line in a given zone would then be portable among eligible telecommunications carriers, as would the per-line amount assigned to each residence line and each single line business line in that zone.

2.2.5. Commencement of New Access USF Support. Universal service distributed pursuant to this section will begin once administrative mechanisms have been established to transfer support among eligible telecommunications carriers in the shortest interval possible given reasonable operational considerations. The parties agree that a three-month lag may be reasonable, provided that an ILEC's entitlement to receive Access USF for service to that customer stops when service stops, and that there are true-ups.

2.2.6. Recalculation of Access USF Amounts. Access USF support for each ILEC service territory will be recalculated on July 1, 2000, and January 1, 2001, and thereafter as determined by the USF Administrator.

3. Reducing Traffic Sensitive Interstate Access Rates.

3.1. Target Traffic Sensitive Interstate Access Charge Rate.

3.1.1. Bell Companies and GTE. For Bell Companies and GTE, the Target Rate for traffic sensitive interstate access charges (defined as the average revenue per switched access minute for the sum of Local Switching (less amounts transferred to CMT), Local Switching Trunk Ports, Signaling Transfer Point Port Termination, switched Direct Trunk Transport, signaling for switched Direct Trunk Transport, entrance facilities for switched access traffic, Tandem Switched Transport, the residual and service-related Transport Interconnection Charges, Information Surcharge, and Signaling for Tandem Switching) is calculated by tariff filing entity and is $0.0055 per minute for each tariff filing entity. For Bell Atlantic, the former NYNEX telephone companies may be treated as a separate tariff filing entity.

3.1.2. All Other Price Cap ILECs. For all other price cap ILECs, the Target Rate for traffic sensitive interstate access charges (defined as the average revenue per switched access minute for the sum of Local Switching, Local Switching Trunk Ports, Signaling Transfer Point Port Termination, switched Direct Trunk Transport, signaling for switched Direct Trunk Transport, entrance facilities for switched access traffic, Tandem Switched Transport, the residual and service-related Transport Interconnection Charges, Information Surcharge, and Signaling for Tandem Switching) is calculated by tariff filing entity and is $0.0065 per minute.

3.2. Local Switching Restructuring. In any study area in which, on December 31, 1999, the average traffic sensitive access charge is greater than the Target Rate, 25% of Local Switching revenues (calculated using base period demand) will be moved to the CMT Basket, except that less than 25% of Local Switching revenues will be moved to the CMT Basket if moving 25% would reduce the average traffic sensitive access charge below the Target Rate. If moving 25% of Local Switching would reduce average traffic sensitive access charges below the Target rate, then the amount of Local Switching moved to the CMT Basket is the amount necessary to reach the Target Rate.

3.3. Interstate X-Factor Levels and Targeting of X-Factor Reductions Effective January 1, 2000. The basic regime set up under this section is that all the price cap reductions flowing from an X-factor of 6.5% are initially targeted to reduce traffic sensitive charges until those charges reach the Target Rate ($0.0055 per minute by tariff filing entity for Bell Companies and GTE, and $0.0065 per minute by tariff filing entity for other price cap ILECs). When the filing entity's average traffic sensitive switched interstate access charge reaches the Target Rate, then the X-factor becomes equal to GDP–PI. All X-factor targeting is done at the tariff filing entity level, not at a holding company level. Beginning July 1, 2001 (i.e. after one full year's X-factor reduction), an ILEC may choose not to target X-factor reductions from special access to reduce switched access rates.

3.3.1 The interstate X-factor will be 6.5% until a Tariff Entity's average traffic sensitive access charge equals the Tariff Entity's Target Rate. The average traffic sensitive charge will be calculated by taking the sum of revenues for Local Switching, Local Switching Trunk Ports, Signaling Transfer Point Port Termination, switched Direct Trunk Transport, signaling for switched Direct Trunk Transport, entrance facilities for switched access traffic, Tandem Switched Transport, the residual and service-related Transport Interconnection Charges, Information Surcharge, and Signaling for Tandem Switching, and dividing that sum of revenues by total switched access minutes of use. If a new element is created from an existing switched access rate element (such as creating a call set-up charge out of the existing local switching rate) the revenues anticipated from that element will be included in the calculation of the average traffic sensitive access charge. The X-factor of 6.5% will be applied only to the extent necessary to reduce the Tariff Entity's average traffic sensitive access charges to the Target Rate. Once the Tariff Entity's average traffic sensitive access charges reach the Target Rate, the X-factor will be GDP–PI.

3.3.2 Until a Tariff Entity's average traffic sensitive interstate access charge equals the Target Rate, the aggregate reductions within a given tariff filing entity from application of the X-factor adjustment in the price cap formula across all of that entity's interstate price cap baskets (less special access reductions, if any, the ILEC chooses to apply beginning July 1, 2001 to reduce special access rates, up to the amount of reductions special access would get through an untargeted application of the X-factor adjustment) will be targeted to reduce the following rates for that tariff filing entity, in order of priority:

(1) To the residual per minute Transport Interconnection Charge, until that rate is $0.00; then

(2) To the Information Surcharge, until that rate is $0.00; then

(3) To the Local Switching charge and Switched Transport charges until the Tariff Entity's average traffic sensitive interstate access charge equals the Target Rate. In making these reductions to Local Switching rates, the percentage of total X-factor reductions directed to Local Switching rates must be greater than or equal to the percentage that local switching revenues represent of the sum of revenues for Local Switching, Local Switching Trunk Ports, Signaling Transfer Point Port Termination, switched Direct Trunk Transport, signaling for switched Direct Trunk Transport, entrance facilities for switched access traffic, Tandem Switched Transport, and Signaling for Tandem Switching (i.e., Local Switching gets at least its proportionate share of reductions).

Once the Tariff Entity's average traffic sensitive interstate access charge equals the Target Rate, no further reductions will be mandated (i.e. if applying the full X-factor reduction for a given year would reduce average traffic sensitive interstate access charges below the Target Rate, the amount of X-factor reduction applied that year will be the amount necessary to reach the Target Rate).

In calculating aggregate X-factor reductions, the Price Cap formula should be applied against the entire common line basket, without removing amounts received through the new interstate universal service support pursuant to paragraph 2.2.

3.3.3. CMT Adjustments After Reaching Target Rate. Once the CCL and PICC are eliminated and the primary residential and single line business SLC reaches the Average Price Cap CMT Revenues Per Line, the X-factor for the CMT Basket will equal GDP–PI as long as GDP–PI is less than or equal to 6.5 percent and greater than 0 percent. If GDP–PI is greater than 6.5% and an entity has eliminated its CCL and multiline business PICC charges, the X-factor for common line will equal 6.5%, and all SLC rates and nominal caps on SLC rates will be increased by the difference between GDP–PI and the X-factor. If GDP–PI is less than 0, the X-factor for common line will be 0.

3.3.4. Exogenous Adjustments. After January 1, 2000, exogenous adjustments will be applied only to services other than those constituting traffic sensitive interstate access charges.

3.3.5. Annual Filings After Reaching Target Rate. With each annual filing, the Average Traffic Sensitive Rate will be recalculated and set at the new base period level. Due to changes in base period demand and inclusion of new services for that Annual Tariff filing, the absolute level of a Tariff Entity's Average Traffic Sensitive Charge may change. The resulting new Average Traffic Sensitive Charge level will be what that Tariff Entity will measured against during that base period.

4. Other Changes to Interstate Access Charge Rate Levels.

4.1. Changes to the Interstate X-factor. No company will advocate changes to the interstate X-factor other than as outlined in paragraph 3.

4.2. Prospective Interstate Adjustments. The companies agree that Paragraphs 2–3 are a just, reasonable and fair means of moving usage sensitive interstate access rates to a point achieved by the above mechanisms. Therefore, other adjustments, such as changes in the interstate X-factor, changes in interstate access rates for price cap ILECs based on results of present or future Continuing Property Records audits, changes in interstate access rates for price cap ILECs based on changes in the Prescribed Rate of Return, and changes in the rate structure for Common Line, Traffic Sensitive (Local Switching, Local Switching Trunk Ports, Signaling Transfer Point Port Termination, switched Direct Trunk Transport, signaling for switched Direct Trunk Transport, entrance facilities for switched access traffic, Tandem Switched Transport, the residual and service-related Transport Interconnection Charges, Information Surcharge, and Signaling for Tandem Switching) and Other (all other interstate access charges not included in Common Line or Traffic Sensitive, as defined here) charges by price cap ILECs, are unnecessary.

4.3. Retrospective Interstate Adjustments. The companies also agree not to initiate legal or regulatory action to adjust price cap determined rates for interstate access charges billed for access minutes prior to January 1, 2000, although a payee would not be precluded from accepting any refund the FCC ordered to be made and a payor will not object to or resist such a refund on the basis of this paragraph.

4.4. Lower Formula Adjustments. The Lower Formula Adjustment to interstate access rates is eliminated until January 1, 2005.

4.5. Term of Agreements. These agreements in paragraph 4 will run until January 1, 2005.

5. Pricing Flexibility/Non-Dominant Classification/Price Cap Forbearance With Respect To Specific Services/UNE Remand. Except as specifically addressed, the companies are not agreeing as to current or future proposals for pricing flexibility, non-dominant classification of specific services, or price cap forbearance with respect to specific services. The companies agree that the Commission should establish guidelines no later than October 1, 1999, for granting appropriate incumbent LEC pricing flexibility for interstate access services. Nothing in this proposal supercedes, prejudices or otherwise implies a result of the UNE Remand proceeding. Parties will continue to argue for their respective positions in these other proceedings.

6. Long Distance Rates and SLC Changes. This interstate access and universal service plan is in the public interest because the interstate access reductions the plan produces will result in lower long distance bills while the SLC and universal service revenues the plan produces will help to protect and enhance universal service and the local exchange infrastructure. The IXC signatories commit to meet with the FCC to review the effects of the interstate access reductions under the plan on long distance customers, and the incumbent LEC signatories commit to meet with the FCC to review effects of the SLC increases and SLC deaveraging under the plan on local customers.

7. Non-Signatory Price Cap LECs. The signatories agree that this proposal, without modification, is a fair and reasonable compromise plan to resolve issues relating to access and universal service for price cap LECs. Accordingly, signatories agree on behalf of themselves and their current affiliates as of August 1, 1999 to participate in the proposal if it is approved by the FCC.

The signatories agree that non-signatory price cap LECs are not bound by the terms of this plan and that the access rules that will apply solely to non-signatory price cap LECs will be determined by the FCC. All companies, whether signatories or not, would remain free to advocate for whatever changes, if any, are appropriate to the current price cap rules that would apply only to non-signatory price cap LECs.

At their option, price cap LECs that are non-signatories to the proposal at the time of its submission may chose to become signatories to the proposal prior to its implementation following an FCC Order. Additionally, if a non-signatory price cap LEC experiences a change of control during the first six months of the year 2000, that LEC may become a signatory to the proposal before the July 1, 2000 annual filing becomes effective, provided that such a LEC incorporates all provisions of the proposal scheduled to be implemented during the first six months of 2000 no later than the July 1, 2000 annual filing effective date.

[FR Doc. 99–25703 Filed 10–1–99; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 93–191, RM–8088; FCC 99–162]

Radio Broadcasting Services; Pueblo, Colorado

ACTION: Affirmation of denial of petition for rulemaking.

SUMMARY: This document affirms the Federal Communications Commission's earlier decisions denying a petition for rulemaking in this proceeding, *Report and Order*, 60 FR 37041 (July 19, 1995) and *Memorandum Opinion and Order*, 62 FR 84 (January 2, 1997). This action is taken in response to the order of the United States Court of Appeals for the District of Columbia Circuit remanding for further consideration our prior decision denying the exchange of channels, *Sangre de Cristo Communications, Inc.* v. *FCC*, 139 F.3d 953 (D.C. Cir. 1998).

FOR FURTHER INFORMATION CONTACT: Shaun Maher, Mass Media Bureau, 202–418–1600.

SUPPLEMENTARY INFORMATION: This is a synopsis of the *Memorandum Opinion and Order on Remand* in MM Docket No. 93–191, adopted July 2, 1999, and released July 7, 1999, wherein the Commission affirmed the prior denial of a petition for rulemaking proposing a channel exchange between television licensees in the Pueblo, Colorado, television market. The Commission found that the public interest benefits to be derived from the channel exchange proposal were too small to outweigh the greater loss of service that would result. The full text of this decision is available for inspection and copying during normal business hours in the FCC's Reference Information Center at Portals II, CY–A257, 445 12th Street, SW, Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Service, (202) 857–3800, 1231 20th Street, NW, Washington, DC 20036.

Federal Communications Commission.

Magalie Roman Salas,

Secretary.

[FR Doc. 99–25544 Filed 10–1–99; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

RIN 1018

Endangered and Threatened Wildlife and Plants; Reopening of Comment Period for 90-day Finding on a Petition To List the Black-Tailed Prairie Dog

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of reopening of comment period.

SUMMARY: We, the Fish and Wildlife Service (Service), provide notice that we are reopening the comment period on the 90-day finding on a petition to list the black-tailed prairie dog to receive additional information on the status of this species. All interested parties are