

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Annual 1989 Access Tariff Filings

ORDER

Adopted January 27, 1989; Released January 30, 1989

By the Chief, Common Carrier Bureau:

1. In its Order, Amendment of Part 69 of the Commission's Rules and Regulations, Access Charges, to Conform with Part 36, Jurisdictional Separations Procedures, CC Docket No. 87-113, FCC 88-400, released December 12, 1988 (*Part 69 Conformance Order*), the Commission modified a number of provisions of its access rules to conform them to relevant changes in underlying separations rules. It also directed the local exchange carriers (LECs) affected by the rule changes to reflect them in their annual 1989 access tariff filings.

2. Because the *Part 69 Conformance Order* was released only a few weeks before the December 30 filing date for access tariffs, the LECs generally were unable to revise their almost-completed filings to implement these changes. In a Public Notice released January 13, 1989, the Common Carrier Bureau accordingly adopted procedures for submitting these revisions as part of errata to be filed January 31, 1989. *Procedures for Filing Errata to Support Information for Annual 1989 Access Tariffs*, DA 89-31, released January 13, 1989. However, a full recast of the cost support material and rates to reflect these noticeable but relatively small changes would require substantial revisions to large portions of the material already on file. This would be burdensome for the LECs, and could cause avoidable difficulties for the Commission and for the interested public in reviewing the substantial and complicated support information.

3. Accordingly, we have decided to allow LECs to elect an option under which revisions to pending rates are made that implement the *Part 69 Conformance Order* in a somewhat simpler manner.¹ These procedures apply only to changes which implement the *Part 69 Conformance Order*; all other revisions must comply with the January 13 Public Notice. Under this option, the LECs are required to explain and justify the shifts in revenue requirement affecting access rate elements and non-access categories. They are not, however, required to recast the cost support material already on file to reflect all of the detailed changes which the rule revisions imply. Similarly, we will allow the LECs to implement the concomitant rate changes by applying percentage rate adjustment factors (RAFs) to the rates as filed. These RAFs will reflect the overall shifts in revenue requirement without recalculation of all the filed rates.

4. LECs electing this option are required to summarize changes in the revenue requirements reported in their December 30, 1988, filings for each access rate element and for interstate non-access as a result of the *Part 69*

Conformance Order. The resultant total change in revenue requirements, the amended revenue requirements, and the proposed RAFs must be displayed. As part of its support material, each LEC should also display, for each access rate element and for interstate non-access, the effect on total revenues, total expenses and taxes, operating income (net return), rate base (average net investment), and rate of return. The LECs should also provide whatever other information is necessary to explain and justify the methods and procedures used to compute these changes.

5. Common line (CL) rates shall be individually computed to reflect the appropriate change in revenue requirement. CL RAFs should not be used. RAFs for switched Traffic Sensitive (TS) and special access rates may be computed in one of the following ways:

1. As two RAFs, one for all switched access rate elements and the second for all special access rate elements; or

2. As RAFs applied to individual rates. If the LEC applies RAFs in this manner it shall provide an explanation and justification of the basis for the specific RAFs and a priceout which demonstrates that the proposed RAFs accurately implement the revenue requirement changes. A priceout is also required if the carrier elects to file tariff pages which reflect individually recalculated rates (*i.e.*, instead of RAFs).

6. These revisions, and all other revisions the LECs propose to their annual 1989 access tariff filings, shall be filed as part of a request for special permission to amend their filings while retaining the April 1, 1989 effective date. As indicated in the January 13, 1989, Public Notice at page 3, the LECs may submit either corrected pages to reflect changes in the support material or a replacement support filing including both uncorrected and corrected pages. However, only actual revised tariff pages should be submitted to indicate changes in the tariff, for both the special permission and the formal tariff transmittal filings. Marked-up tariff pages, showing all proposed changes, are acceptable as part of the special permission request.

7. For purposes of complying with the *Part 69 Conformance Order*, but not for other errata, we also waive the requirements of Section 61.38 of the Commission's Rules and the requirements of Part 69 to the extent that this Part requires the calculation of individual access rate element revenue requirements and rates, provided that LECs conform to the methods described in this Notice. (Because RAFs can complicate the tariffs and be confusing to users, we may consider requiring that the RAFs be replaced with specific rates after April 1, 1989.) To the extent that LECs wish to request similar waivers for other errata, those requests should be submitted and justified separately.

8. Other requirements, procedures, and schedules in the January 13, 1989, Public Notice are unchanged.

FEDERAL COMMUNICATIONS COMMISSION

Gerald Brock
Chief, Common Carrier Bureau

FOOTNOTE

¹ LECs who do not elect this option are required to reflect rule changes made by the *Part 69 Conformance Order* by complying with the Commission's generally applicable rule, *i.e.*, by filing tariff pages and support information showing individually recalculated rates.