

CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO TELECOMMUNICATIONS SERVICE PROVIDERS.

Subchapter J. COSTS, RATES AND TARIFFS.

§26.205. Rates for Intrastate Access Services.

- (a) **General.** Dominant certificated telecommunications utility (DCTU) rates for intrastate access services shall be established in accordance with the provisions of this section. Nothing in this section precludes a DCTU from offering new, experimental, promotional, or competitive services in accordance with other provisions of this part authorizing such offerings.
- (b) **Access services.** Each DCTU's tariff must include the recurring and nonrecurring charges for all access services offered by the DCTU. A DCTU may cross-reference its federal tariff in its state tariff if its intrastate switched access rates are the same as its interstate switched access rates. A DCTU is not required to include in its access tariff any access service that its network is technologically incapable of providing. A DCTU must include in its access tariff any access service which is provided on a special assembly basis if the service is provided to more than three customers or if the service is provided at more than three locations. DCTUs are prohibited from charging intrastate end user common line charges, intrastate subscriber line charges, or similar intrastate end user charges.
- (c) **Access rates.** The structure and rates for all DCTUs' intrastate switched access services shall be established in accordance with the following requirements.
- (1) **Terminating common carrier line (CCL).** Each DCTU's terminating CCL rate shall not exceed \$.08 per premium terminating rated access minute of use.
- (2) **Premium rates.** The requirements of this paragraph apply to Southwestern Bell Telephone Company effective December 14, 1994 unless otherwise ordered by the commission. Premium access rates shall apply only to those switched access minutes that:
- (A) terminate via Feature Group B;
- (B) originate or terminate via Feature Group C;
- (C) originate from an equal access end office via any switched access feature group;
- (D) terminate to an equal access end office via any switched access feature group; or
- (E) originate from a non-equal access end office and are routed over Feature Group D tandem connections.
- (3) **Local switching.** There shall be one premium local switching rate element.
- (4) **Local transport rate structure and pricing.** Local transport rates shall not contain unreasonable distance sensitivity. Each DCTU shall comply with subparagraphs (A)-(I) of this paragraph, unless indicated otherwise.
- (A) Transport services. Each DCTU that is subject to this subparagraph shall offer transport services that consist of the following elements: entrance facilities, direct-trunked transport, tandem-switched transport, dedicated signaling transport, and a residual charge.
- (B) Entrance facilities.
- (i) All access customers that use the DCTU's facilities between the customer-designated point of demarcation and the serving wire center (SWC) shall be assessed a flat-rated entrance facilities charge based upon the service level ordered. Dominant certificated telecommunications utilities shall offer entrance facilities at voicegrade, DS1 and DS3 service levels.
- (ii) Rates for entrance facilities shall be set no lower than 105% of the long run incremental cost (LRIC) for each service level stated in clause (i) of this subparagraph.
- (iii) The DCTU may charge distance-sensitive rates for entrance facilities as enumerated in subparagraph (H) of this paragraph. Mileage shall be measured as airline mileage between the point of demarcation and the SWC.

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- (C) Direct-trunked transport.
 - (i) All access customers that use the DCTU's direct-trunked transport facilities shall be assessed a flat-rated direct-trunked transport charge based upon the service level ordered. Dominant certificated telecommunications utilities shall offer direct trunked transport at voice grade, DS1 and DS3 service levels.
 - (ii) Rates for direct-trunked transport facilities shall be set no lower than 105% of the LRIC for each service level in clause (i) of this subparagraph. Additionally, these rates shall be set consistent with the requirement in subparagraph (G) of this paragraph.
 - (iii) The DCTU may charge distance sensitive rates for direct-trunked transport, as enumerated in subparagraph (H) of this paragraph. Mileage shall be measured as airline mileage between the SWC and end office or between customer-designated points.
 - (iv) Centralized equal access providers are not required to provide direct-trunked transport services. DCTUs that do not have measurement and billing capabilities at their end offices are not required to provide direct-trunked transport services at those end offices.
- (D) Tandem-switched transport.
 - (i) All access customers that use the DCTU's tandem-switched transport facilities shall be assessed the following rates:
 - (I) a per access minute tandem switching charge; and
 - (II) a per access minute tandem-switched transmission charge.
 - (ii) The rates for tandem-switched transport facilities shall be set no lower than 105% of the LRIC. Additionally, these rates shall be set consistent with the requirements in subparagraph (G) of this paragraph.
 - (iii) The DCTU may charge distance-sensitive rates for tandem-switched transmission elements, as enumerated in subparagraph (H) of this paragraph. Mileage shall be measured as airline mileage between the SWC and the end office, unless the customer has ordered tandem-switched transport between the tandem office and the end office, in which case mileage shall be measured as airline mileage between the tandem office and the end office.
- (E) Dedicated Signaling Transport: Dedicated signaling transport shall be provided in accordance with the following requirements:
 - (i) Dedicated signaling transport shall consist of two subelements, a signaling link charge and a signaling transfer point (STP) port termination charge.
 - (ii) A flat-rated signaling link charge per unit of capacity shall be assessed upon all access customers that use facilities between the access customer's common channel signaling network and the DCTU's signaling transfer point or equivalent facilities. If the DCTU charges distance-sensitive rates for the signaling link, mileage shall be measured as airline mileage between the access customer's common channel signaling network and the DCTU's signaling transfer point.
 - (iii) A flat-rated STP port termination charge per port shall be assessed upon all access customers that use dedicated signaling transport.
 - (iv) Rates for dedicated signaling transport facilities shall be set no lower than 105% of the LRIC.

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- (F) Residual charge. The DCTU shall assess only one residual charge for each local switching access minute of use sold to those customers interconnecting with the DCTU's switched access network by ordering from the DCTU's access tariff.
- (G) Transport rate differences. The rate differences between tandem-switched transport, DS1 direct-trunked transport and DS3 direct-trunked transport, shall be reasonable. The difference between the rate and 105% of the LRIC for DS1 direct-trunked transport shall not exceed 150% of the difference between the rate and 105% of the LRIC for DS3 direct-trunked transport, on an equivalent unit of capacity basis. The difference between the rate and 105% of the LRIC for DS0 direct-trunked transport shall not exceed 150% of the difference between the rate and 105% of the LRIC for DS3 direct-trunked transport, on an equivalent unit of capacity basis. The difference between the rate and 105% of the LRIC for tandem-switched transport shall not exceed 150% of the difference between the rate and 105% of the LRIC for DS3 direct-trunked transport, on an equivalent unit of capacity basis. To determine the rate and LRIC relationships between the transport options, the tandem switch LRIC must be included in the LRIC for the tandem-switched transport option.
- (H) Distance sensitive rates. If the DCTU employs distance-sensitive rates for entrance facilities, direct-trunked transport and/or tandem-switched transmission elements, they shall be assessed in the following manner:
 - (i) a distance-sensitive component shall be charged for the use of the transmission facilities, including intermediate transmission circuit equipment between the end points of the transmission link; and
 - (ii) a nondistance-sensitive component shall be charged for the use of the circuit equipment at the ends of the transmission link.
- (I) Tariff provisions.
 - (i) Tariffs shall not contain resale or sharing restrictions for switched transport services.
 - (ii) Initial tariffs filed in compliance with this section may be filed pursuant to §26.209 of this title (relating to New and Experimental Services). Initial tariff amendments shall not be permitted to become effective before expanded interconnection for switched transport services becomes available from the DCTU for those DCTUs subject to substantive rule §26.271 of this title (relating to Expanded Interconnection).
 - (iii) DCTUs not subject to substantive rule §26.215 of this title (relating to Long Run Incremental Cost Methodology for Dominant Certificated Telecommunications Utility (DCTU) Services) may propose charges that are the same as the charges in effect for the carrier's interstate provision of the same service or adopt the switched transport rates of another DCTU that are developed pursuant to the requirements of this section.
 - (iv) Within 120 days after the completion of LRIC cost studies required by substantive rule §26.215 of this title, any DCTU subject to that rule shall file tariff amendments in order to revise its local transport rates in conformity with this section based upon the new LRIC cost studies.
- (5) **Lower rates.** Nothing in this subsection prevents a DCTU from charging a lower rate for any rate element than the amount specified herein; however, no DCTU shall charge any rate for switched access that is not contained in its switched access tariff.
- (6) **Rounding.** The rates for all access services shall be assessed using conventional rounding of fractional units of applicable billing units, i.e., a fraction equal to or greater than 0.5 of one unit will be rounded up to the next higher whole unit, while fractions less than 0.5 of one unit

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will be rounded down to the next lower whole unit, except that local transport mileage may be rounded up to the next whole mile.

- (d) **Administrative provisions.** The intrastate access service tariff of all DCTUs must contain, at a minimum, the requirements stated in paragraph (1) - (3) of this subsection, relating to percent interstate usage (PIU).
- (1) **Jurisdictional determination capability.** If the DCTU possesses the network capability to determine the jurisdiction of an access service, a monthly PIU, based upon the actual jurisdictional determination of access services used by the access customer, must be calculated by the DCTU and applied to the monthly bill for each access customer.
- (2) **No jurisdictional determination capability.** If a DCTU's network facilities are incapable of making a determination of the jurisdiction of an access service, such DCTU shall establish guidelines in its access tariff that permit an access customer to self-report. PIUs may be self-reported by access customers to DCTUs if all of the requirements of subparagraphs (A) - (F) of this paragraph are met.
- (A) A DCTU must request and receive written representation from the self-reporting access customer that the access customer possesses a network technology or has established other reasonable methods which it can accurately determine the jurisdiction of each access service used by the access customer.
- (B) The DCTU must request and receive a written representation from the access customer that the access customer calculates self-reported PIUs based upon the actual jurisdiction of each access service used by the access customer.
- (C) The DCTU must request and receive from the access customer, at a minimum, an annual report supporting the self-reported PIUs.
- (D) The DCTU's intrastate access tariff must establish a monitoring procedure for the annual monitoring of all self-reported PIUs and an auditing procedure for timely auditing of questionable self-reported PIUs.
- (E) The DCTU's intrastate access service tariff must contain an adjustment procedure for the correction of up to 12 months of access service bills which were based upon an erroneous PIU as determined through a PIU audit.
- (F) The DCTU's intrastate access tariff must specify that the DCTU is responsible for verifying the accuracy of the PIU report and the access customer is responsible for the accuracy of self-reported PIUs.
- (3) **Default PIU.** If the DCTU's network facilities are incapable of determining call jurisdiction and the access customer fails to exercise its self-reporting option under paragraph (2) of this subsection, the DCTU must provide written notice to the access customer by certified mail that, if the customer fails to exercise one of its options within 30 days of receipt of such notice, a PIU will be established at 50%. Nothing in this paragraph prohibits the DCTU from auditing such access customer. If such an audit is conducted, the results of such audit will be used to determine that access customer's PIU.