

Confidential Release

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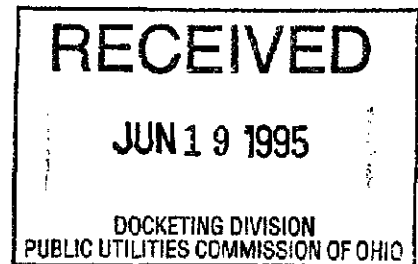


GTE Telephone Operations
Northeast Region

100 Executive Drive
Marion, Ohio 43302
614 383-0411

June 19, 1995

Ms. Daisy Crockron
Chief - Docketing
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573



RE: Case No. 83-464-TP-COI (Subfile C)

Dear Ms. Crockron:

The November 3, 1987 Entry in the above referenced case directed local exchange companies to file all intercompany contracts incorporating the ORP-SCO compensation mechanism. Accordingly, GTE North is hereby filing Amendment 1 to the "Telecommunications Services and Facilities Agreement, Primary-Primary" between The Cincinnati Bell Telephone Company and GTE North Incorporated.

This Amendment is being filed to incorporate changes brought about by route specific pricing and end office compensation.

Acknowledgement and date of this filing are requested.

Sincerely,

John W. Kennedy
State Director-External Affairs

JWK:dj
Enclosure

AMENDMENT 2

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WHEREAS, Cincinnati Bell Telephone Company and GTE North Incorporated entered into a Telecommunications Services and Facilities Agreement, Primary-Primary, dated the 1st day of January, 1988, a copy of which is attached hereto, incorporated herein, and made a part of this Amendment, and

WHEREAS, Cincinnati Bell Telephone Company and GTE North Incorporated entered into Amendment 1, dated March 16, 1994, a copy of which is attached hereto, and

WHEREAS, said Telecommunications Services and Facilities Agreement, Primary-Primary, provides in Section XXIII, that the parties may amend, add or delete Sections, Exhibits or Appendices to said Agreement by written agreement, and

WHEREAS, the parties to said Agreement wish to provide for changes in the Basis of Compensation relating to reimbursement for Secondary Exchange Carrier access charges.

NOW, THEREFORE, the parties enter into the following Amendment 2 which replaces Amendment 1 in its entirety:

AMENDED APPENDIX 1, SECTION IV - BASIS OF COMPENSATION

1. Appendix 1 (IntraLATA Telecommunications Services), Section IV (Basis of Compensation), is revised in its entirety to read as follows:

SECTION IV BASIS OF COMPENSATION

This section specifies the basis of compensation of all Intrastate IntraLATA toll traffic covered in this Appendix to the Telecommunications Services and Facilities Agreement. See Attachment 1 for specific examples of the basis of compensation addressed in this section.

I. Intrastate IntraLATA MTS and WATS Usage

- A. The Originating Primary Exchange Carrier (PEC) will be due all revenue from Intrastate IntraLATA Message Telecommunications Service ("MTS") and WATS calls.
- B. The Originating PEC will compensate the terminating PEC for its participation in the completion of jointly provided IntraLATA MTS and WATS calls where no SEC terminating access facilities are utilized, as follows:
 1. For terminating carrier common line facilities provided by the terminating PEC, an amount calculated as specified for carrier common line facilities in the terminating PEC's Exchange Access tariff. Compensation will be determined by multiplying the terminating PEC's carrier common line rate times the chargeable Minutes of Use ("MOU").
 2. For terminating switched access provided by the terminating PEC, an amount calculated as specified for switched access service in the terminating PEC's Exchange Access tariff. Compensation will be determined by multiplying the terminating PEC's:
 - a. residual interconnection charge rate times the chargeable MOU.
 - b. tandem switched transport facility rate times appropriate mileage times chargeable MOU.
 - c. tandem switched transport termination rate times the chargeable MOU. (Terminating PEC's tandem switched transport termination

rate times one-half (1/2) for companies whose termination rate recovers for two (2) terminations.)

- d. tandem switched transport tandem switching rate (adjusted when appropriate by percentage of applicability to allow for terminating end office traffic where the terminating PEC does not provide the terminating tandem times chargeable MOU.
 - e. local switching rate times chargeable MOU.
 - f. information surcharge rate times chargeable MOU.
- C. The Originating PEC will compensate the terminating PEC for its participation in the completion of jointly provided IntraLATA MTS and WATS calls where SEC terminating access facilities are utilized, as follows:
- 1. For Terminating Switched access provided by the terminating PEC, an amount calculated as specified for switched access service in the terminating PEC's Exchange Access tariff. Compensation will be determined by multiplying the terminating PEC's:
 - a. tandem switched transport facility rate times appropriate mileage times chargeable MOU.
 - b. tandem switched transport termination rate times the chargeable MOU.
(Terminating PEC's tandem switched transport termination rate times 1/2 for companies whose termination rate recovers for 2 terminations.)
 - c. tandem switched transport tandem switching rate (adjusted, when appropriate, by percentage of applicability to allow for terminating end office traffic where the terminating PEC does not provide the terminating tandem) times chargeable MOU.
 - 2. The Originating PEC will also reimburse the terminating PEC for the compensation paid to the terminating SEC for the SEC's participation in the completion of jointly provided intraLATA MTS and WATS calls, as follows:
 - a. for terminating carrier common line facilities provided by the terminating SEC, an amount calculated as specified for carrier common line facilities in the terminating SEC's Exchange Access tariff. Compensation will be determined by multiplying the terminating SEC's carrier common line rate times the chargeable MOU.
 - b. for terminating switched access provided by the terminating SEC, an amount calculated as specified for switched access service in the terminating SEC's Exchange Access tariff. Compensation will be determined by multiplying the terminating SEC's:
 - i. residual interconnection charge rate times the chargeable MOU.
 - ii. tandem switched transport facility rate times appropriate mileage times chargeable MOU.
 - iii. tandem switched transport termination rate times the chargeable MOU.
Tandem switched transport termination times 1/2 for companies whose termination rate recovers for 2 terminations.
 - iv. tandem switched transport tandem switching rate, if applicable, times the chargeable MOU. Compensation for tandem switching is due to the terminating PEC based upon blending the terminating PEC's and

terminating SEC's tandem switching rates, using minutes of use on a LATA-specific basis.

- v. local switching rate times chargeable MOU.
- vi. information surcharge rate times chargeable MOU.

D. The Originating PEC will compensate the Intermediate or Through PEC for its participation in the completion of jointly provided intraLATA MTS and WATS calls, as follows:

1. For Through Switched Access provided, an amount calculated as specified for switched access service in the Through PEC's Exchange Access tariff. Compensation will be determined by multiplying the Through PEC's :
 - a. tandem switched transport facility rate times the appropriate mileage times the chargeable MOU.
 - b. to compensate the Through PEC where they provide tandem switching, one tandem switched transport tandem switching rate (adjusted when appropriate by percentage of applicability) times chargeable MOU. Exceptions to paying more than one tandem for Through traffic are subject to negotiation and are specified in Schedule 1.

II. Intrastate IntraLATA 800 Service

The terminating PEC will compensate each Originating PEC for its participation in the completion of jointly provided IntraLATA 800 Service calls as if the Originating PEC were the Terminating Company under I of this section.

III. Intrastate IntraLATA Private Line and Foreign Exchange Service

There will be no special access compensation between PECs for Intrastate IntraLATA Private Line and Foreign Exchange Service. The billing PEC will bill and remit revenues for the facilities and services provided by other non-billing PECs based on the non-billing PEC's End User (Private Line) Tariffs. This arrangement will be single bill/multiple tariffs.

IV. Exchange Access Tariff Rates

The Exchange Access tariff rates used to determine the compensation specified above are those rates specified in each company's lawfully established Intrastate Exchange Access Tariff.

V. Mileage and Tandem Switching Adjustments

The mileage for calculation of Terminating tandem switched transport facility and for calculation of Through tandem switched transport facility are found in Schedule 1 of this Appendix. The applicability for adjusting the Tandem Switching rate to compensate the actual provider of the terminating tandem is found in Schedule 1 of this Appendix. The applicability for adjusting the Tandem Switching rate for provision of Through transport for "pass-through" traffic or for compensation for more than one Through tandem is found in Schedule 1 of this Appendix. Schedule 1 will only apply in those circumstances where the parties compensate on the basis of average miles and/or average tandem switching occurrences/applicability instead of the actual mileage and tandem occurrences of each route.

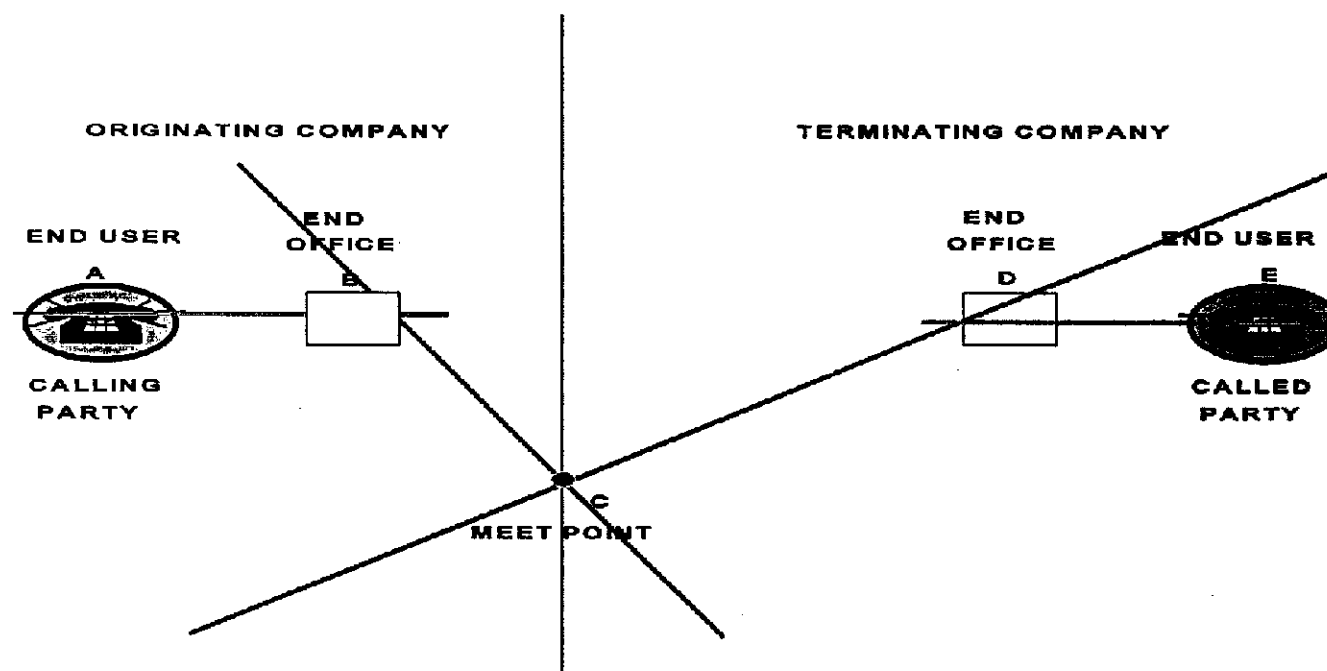
VI. Compensation amounts paid during ITAC implementation may require true-up adjustments as mutually agreed by the parties.

AMENDED APPENDIX 1, ATTACHMENT 1, EXAMPLES 1, 2, 3, AND 4

2. Appendix 1 (IntraLATA Telecommunications Services), Attachment 1 (Examples of IntraLATA MTS and WATS Compensation), Examples 1, 2, 3 and 4 (if applicable) are revised in their entirety to read as follows:

Attachment 1, Example 1 (Example of IntraLATA MTS and WATS Compensation) to Appendix 1 (Basis of Compensation). The examples shown are not intended to cover all potential situations but merely to demonstrate the application of the rate elements.

Intrastate IntraLATA MTS and WATS Compensation EXAMPLE 1



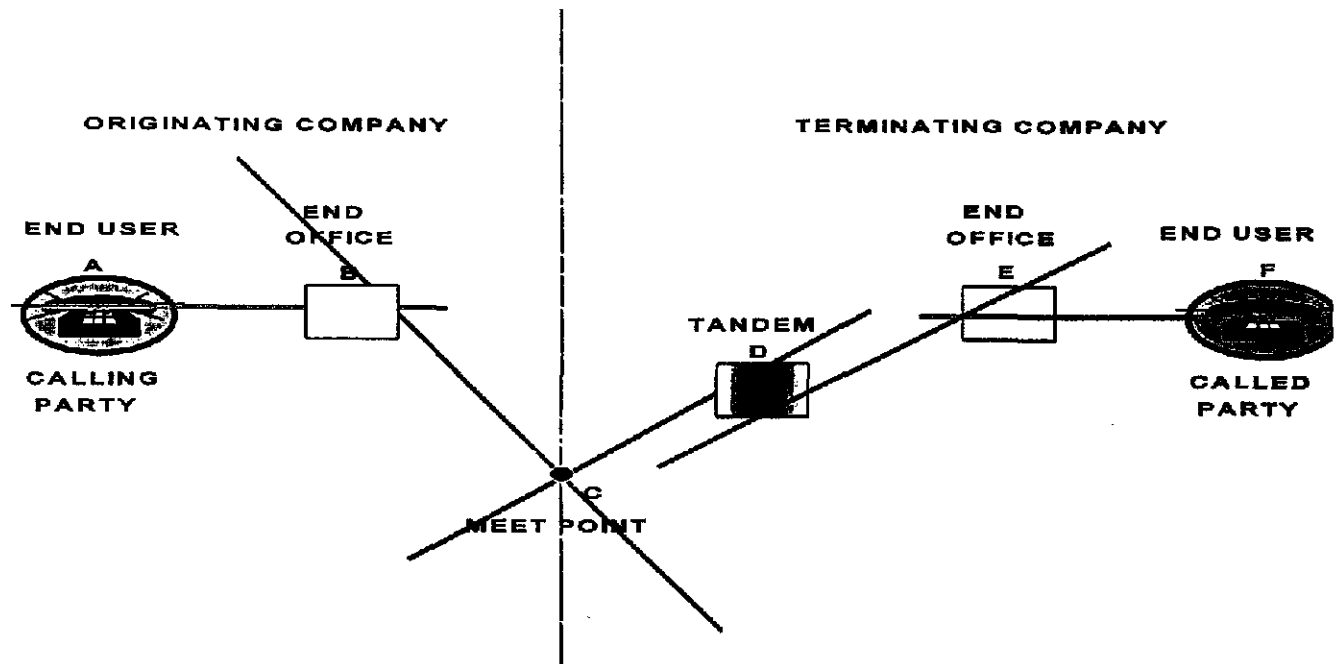
1. Originating Company is due all IntraLATA revenue from MTS and WATS calls it originates.
2. Originating Company will compensate Terminating Company as follows:

SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
C - D	Switched Access Facility	Airline miles (C to D) divided by airline miles (B to C to D), times airline miles (B to D), times the Terminating Company's tandem switched transport facility rate, times the chargeable MOU.
D	Switched Access Termination	Terminating Company's tandem switched transport termination rate times 1/2 for companies whose termination rate recovers for 2 terminations, times the chargeable MOU.
D	Switched Access Interconnection	Terminating Company's residual interconnection charge rate times the chargeable MOU.
D	Local Switching	Terminating Company's local switching rate times the chargeable MOU.
D	Information	Terminating Company's information surcharge rate times the chargeable MOU.
D - E	Carrier Common Line	Terminating Company's carrier common line rate times the chargeable MOU.

Attachment 1, Example 2 (Example of IntraLATA MTS and WATS Compensation) to Appendix 1 (Basis of Compensation)

The examples shown are not intended to cover all potential situations but merely to demonstrate the application of the rate elements.

Intrastate IntraLATA MTS and WATS Compensation
EXAMPLE 2



1. Originating Company is due all IntraLATA revenue from MTS and WATS calls it originates.
2. Originating Company will compensate Terminating Company as follows:

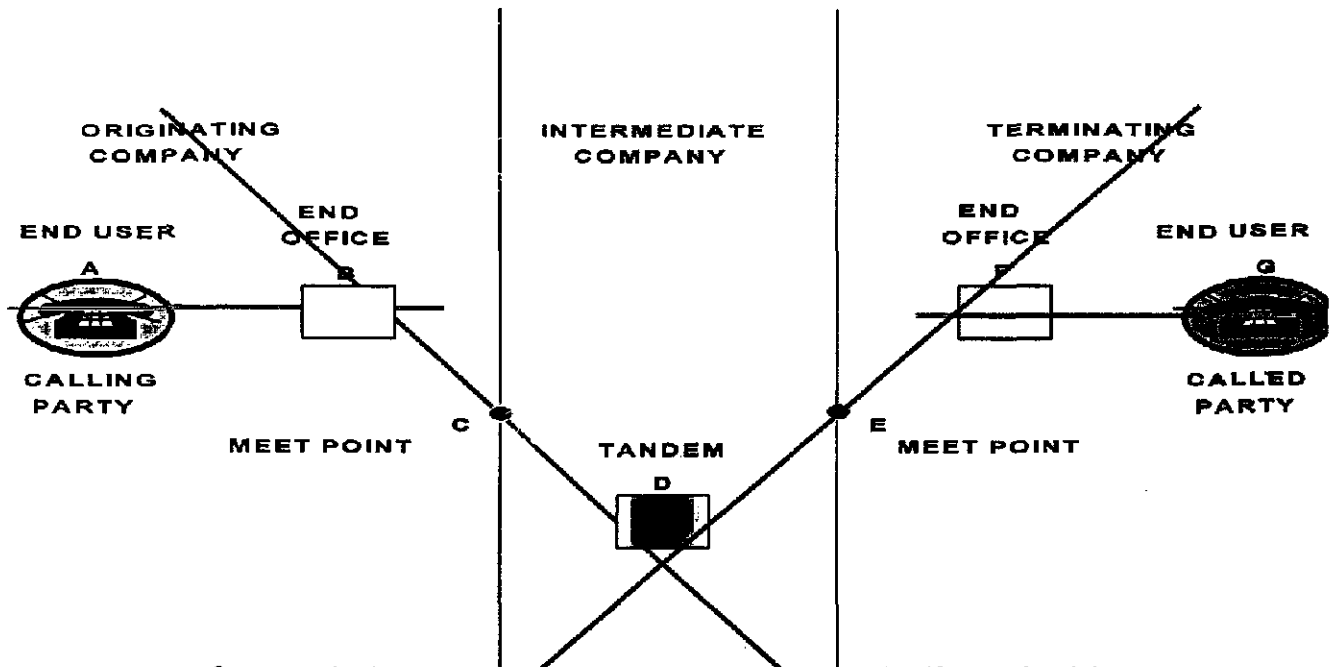
SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
C - E	Switched Access Facility	Airline miles (C to E) divided by airline miles (B to C to E), times airline miles (B to E), times the Terminating Company's tandem switched transport facility rate, times the chargeable MOU.
D	Tandem Switching	Terminating Company's tandem switched transport tandem switching rate adjusted by percentage applicability, times the chargeable MOU.
E	Switched Access Termination	Terminating Company's tandem switched transport termination rate times 1/2 for companies whose termination rate recovers for 2 terminations, times the chargeable MOU.
E	Switched Access Interconnection	Terminating Company's residual interconnection charge rate times the chargeable MOU.
E	Local Switching	Terminating Company's local switching rate times the chargeable MOU.
E	Information	Terminating Company's information surcharge rate times the chargeable MOU.
E - F	Carrier Common Line	Terminating Company's carrier common line rate times the chargeable MOU.

Attachment 1, Example 3 (Example of IntraLATA MTS and WATS Compensation) to Appendix 1 (Basis of Compensation)

The examples shown are not intended to cover all potential situations but merely to demonstrate the application of the rate elements.

Intrastate IntraLATA MTS and WATS Compensation

EXAMPLE 3



1. Originating Company is due all IntraLATA revenue from MTS and WATS calls it originates.
2. Originating Company will compensate Intermediate Company as follows:

SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
C - E	Switched Access Facility	Airline miles (C to E) divided by airline miles (B to C to E to F), times airline miles (B to F), times the Intermediate Company's tandem switched transport facility rate, times the chargeable MOU.
D	Tandem Switching (see NOTE 1)	Intermediate Company's tandem switched transport tandem switching rate adjusted by percentage applicability, times the chargeable MOU.

NOTE 1: In this example, Tandem Switching is applied one time for the Intermediate Company (provider of the terminating tandem).

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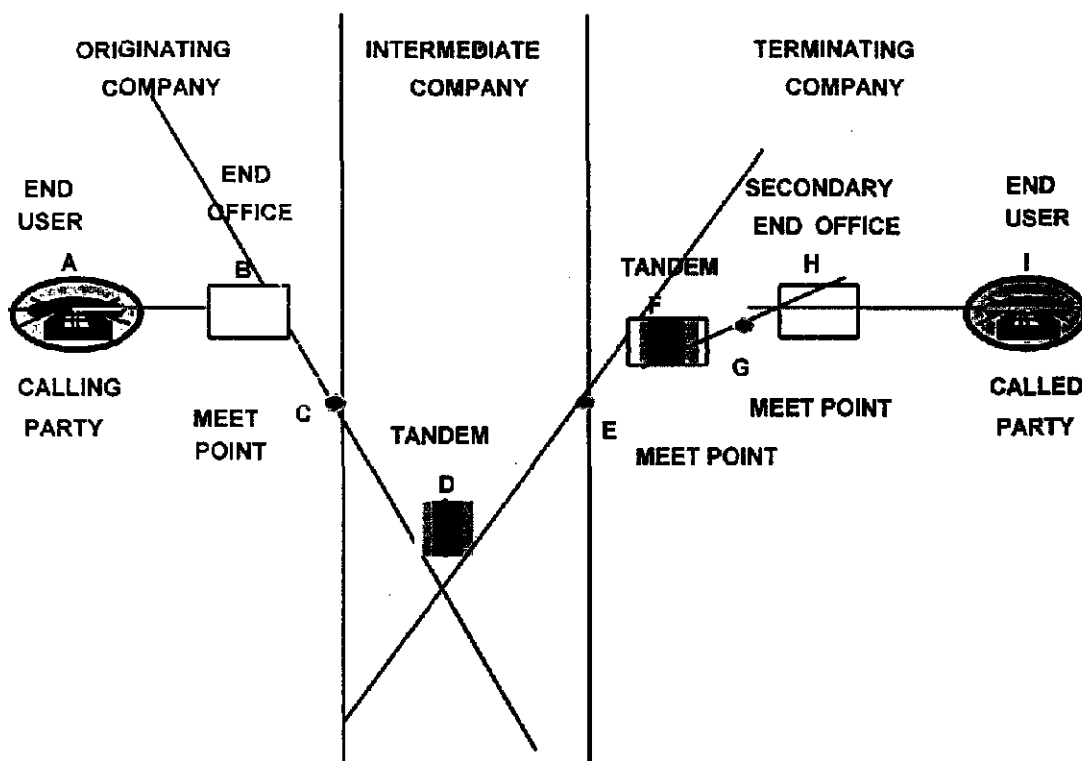
3. Originating Company will compensate Terminating Company as follows:

SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
E - F	Switched Access Facility	Airline miles (E to F) divided by airline miles (B to C to E to F), times airline miles (B to F), times the Terminating Company's tandem switched transport facility rate, times the chargeable MOU.
F	Switched Access Termination	Terminating Company's tandem switched transport termination rate times 1/2 for companies whose termination rate recovers for 2 terminations, times the chargeable MOU.
F	Switched Access Interconnection	Terminating Company's residual interconnection charge rate times the chargeable MOU.
F	Local Switching	Terminating Company's local switching rate times the chargeable MOU.
F	Information	Terminating Company's information surcharge rate times the chargeable MOU.
F - G	Carrier Common Line	Terminating Company's carrier common line rate times the chargeable MOU.

Attachment 1, Example 4 (Example of IntraLATA MTS and WATS Compensation) to Appendix 1 (Basis of Compensation)

The examples shown are not intended to cover all potential situations but merely to demonstrate the application of the rate elements.

Intrastate IntraLATA MTS and WATS Compensation
EXAMPLE 4



1. Originating Company is due all IntraLATA revenue from MTS and WATS calls it originates.
2. Originating Company will compensate Intermediate Company as follows:

SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
C - E	Switched Access Facility	Airline miles (C to E) divided by airline miles (B to C to E to G to H), times airline miles (B to H), times the Intermediate Company's tandem switched transport facility rate, times the chargeable MOU.
D	Tandem Switching (see NOTE 1)	Intermediate Company's tandem switched transport tandem switching rate adjusted by percentage applicability, times the chargeable MOU

NOTE 1: Exceptions to paying more than one tandem for through traffic are subject to negotiation and are specified in Schedule 1.

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3. Originating Company will compensate Terminating Company as follows:

SEGMENT	TYPE SERVICE	BASIS OF COMPENSATION
E - H	Switched Access Facility	Airline miles (E to G) divided by airline miles (B to C to E to G to H), times airline miles (B to H), times the Terminating PEC's tandem switched transport facility rate, times the chargeable MOU.
		Airline miles (G to H) divided by airline miles (B to C to E to G to H), times airline miles (B to H), times the Terminating SEC's tandem switched transport facility rate, times the chargeable MOU.
F	Tandem Switching (see NOTE 2)	Terminating Company's tandem switched transport tandem switching rate adjusted, by percentage applicability, times the chargeable MOU.
H	Switched Access Termination	Terminating SEC's tandem switched transport termination rate, times the chargeable MOU.
		(Terminating PEC's tandem switched transport termination rate times 1/2 for companies whose termination rate recovers for 2 terminations.)
H	Switched Access Interconnection	Terminating SEC's residual interconnection charge rate times the chargeable MOU.
H	Local Switching	Terminating SEC's local switching rate times the chargeable MOU.
H	Information	Terminating SEC's information surcharge rate times the chargeable MOU.
H - I	Carrier Common Line	Terminating SEC's carrier common line rate times the chargeable MOU.

Note 2: In this example, Tandem Switching is applied one time for the Intermediate Company (Through provider) and one time for each provider of a terminating tandem at the provider's tandem switched transport rate.

AMENDED APPENDIX 1, SCHEDULE 1

3. Appendix 1 (IntraLATA Telecommunications Services), Schedule 1 (Rates for IX Facilities, IX Switching Facilities and IX Termination) is revised in its entirety to read as follows:

TERMINATING AND THROUGH TRANSPORT MILEAGE AND TANDEM SWITCHING ADJUSTMENT

Amended Schedule 1 attached and made an integral part of
Amended Appendix 1 (IntraLATA Telecommunications Services) to
Telecommunications Services and Facilities Agreement

CINCINNATI (922) LATA

A. Cincinnati Bell Telephone Company

1. Terminating Switched Access

GTE North Incorporated will compensate Cincinnati Bell Telephone Company based on the actual mileage and tandem occurrences of each route.

2. Through Switched Access

GTE North Incorporated will compensate Cincinnati Bell Telephone Company based on the actual mileage and tandem occurrences of each route.

B. GTE North Incorporated

1. Terminating Switched Access

- a. PEC Terminating tandem switched transmission facility mileage:
3.8 terminating miles X facility rate X chargeable MOU.
- b. SEC Terminating tandem switched transmission facility mileage:
0 terminating miles X facility rate X chargeable MOU.
- c. Tandem switching percentage of applicability to terminating traffic where COMPANY B provides the terminating tandem.
0 % applicable X tandem switching rate X chargeable MOU.

2. Through Switched Access

- a. Through tandem switched transmission facility mileage:
0 through miles X facility rate X chargeable MOU.
- b. Tandem switching percentage of applicability to through traffic where COMPANY B provides the through tandem.
0 % applicable X tandem switching rate X chargeable MOU.

- C. The mileage and tandem switching adjustments noted on this schedule may be reviewed and updated 1 time per year.

SIGNATURE PAGE

4. Except as expressly provided in this Amendment, all of the other terms and conditions of the Telecommunications Services and Facilities Agreement, Primary-Primary, dated January 1, 1988, remain in full force and effect and are not otherwise amended hereby.

IN WITNESS WHEREOF, the undersigned parties execute this Amendment 2 as of the dates set forth below to take effect on the 16th day of March, 1995.

CINCINNATI BELL TELEPHONE COMPANY

By: Title: Senior Vice PresidentDate: 5-23-95

GTE NORTH INCORPORATED

By: Title: Regional PresidentDate: 6-15-95