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Case Number: 96-899-TP-ALT

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Testimony of Susan J. Maggard. (25 pgs)

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

| In the Matter of the Application of |) | Case No. 96-899-TP-ALT |
|--|---|------------------------|
| The Cincinnati Bell Telephone Company |) | _ |
| For Approval of an Alternative Form of |) | 24,732 |
| Regulation and for a Threshold Increase in Rates | ì | 173 |

UNREDACTED TESTIMONY OF SUSAN J. MAGGARD FILED UNDER SEAL

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Cincinnati Bell Telephone Company for Approval of a Retail Pricing Plan Which May Result in Future Rate Increases and for a New Alternative Regulation Plan

Case No. 96-899-TP-ALT

DEC 1 7 1997

DOCKETING DIVISION
Public Utilities Commission of Ohio

SUPPLEMENTAL TESTIMONY

OF

SUSAN J. MAGGARD

(UNREDACTED VERSION)

Dated: December 17, 1997

DIRECT TESTIMONY OF SUSAN J. MAGGARD

BACKGROUND AND OUALIFICATIONS

Q: Please state your name and business affiliation.

A: My name is Susan J. Maggard. I am employed by Cincinnati Bell Telephone (CBT) as

Director - Access Marketing. My organization is responsible for Access Market customers.

Q: Are you the same Susan J. Maggard who has submitted Direct Testimony in this proceeding?

A: Yes.

Q: What is the purpose of your supplemental testimony?

A: The purpose of my supplemental testimony is to support certain CBT objections to the Staff Report of Investigation in this proceeding, filed on November 17, 1997. Specifically, my testimony addresses objections to the Staff's recommendations with regard to CBT's proposal for unbundled network element pricing under Section 251 of the Telecommunications Act. This proposal was outlined in CBT's Supplemental Filing of May 20, 1997, and originally included in CBT's Application for Suspension/Modification filed December 9, 1996 in Case No. 96-1317-TP-UNC. In addition, my testimony introduces a revised pricing structure for unbundled network elements. The unbundled loop structure in the "Cincinnati Bell Pricing Schedule for Interconnection" (Item IV, A.)

has been modified slightly for clarity and ordering ease, and the switching features section (Item IV, C, 2, d) reflects the Staff's recommendation that value added services be sold in groupings which reflect the manner in which CBT purchases switch features from its vendor. These changes are detailed later in my testimony.

UNBUNDLED BUSINESS LOOPS AND RECOMBINATIONS

- Q. What is CBT's objection to Staff's recommendation for unbundled business loop pricing?
- A. CBT objects to the denial of temporarily pricing unbundled business loops to include a contribution commensurate with that in its resale rates [Staff Report at p. 33], until the rate rebalancing proposed in Commitment 2000 is complete.
- Q. Why do you believe Staff's recommendation is inappropriate?
- A. Staff's apparent rationale ignores the fact that CBT will experience immediate and permanent economic harm when competitors use CBT's cost-based loops or recombined unbundled network elements to build services offered to business customers, and compete for those customers with prices closer to true cost than CBT's current business prices.
- Q. What is the impact of Staff's recommendation on CBT?
- A. CBT's forecasts predict a contribution loss of approximately \$35.7M in Ohio in 1998, a huge contribution loss for a small company [Application for Suspension/Modification, p.

13]. By contrast, CBT's net operating income after taxes for 1995 was \$47.5M, as reflected in the Monitoring Report filed March 29, 1996. This is clearly the type of economic harm which Congress intended to prevent when it enacted Section 251 of the Telecommunications Act.

Q. Does Staff's rate rebalancing proposal mitigate the economic harm to CBT?

A. No. Although the Staff acknowledges that it "understands CBT's concern regarding arbitrage pricing by competitors buying UNEs at TELRIC based prices and undercutting CBT's non-residential rates," its alternative regulation proposal does not allow CBT to compete in an economically viable manner. First, Staff's recommended plan permits CBT to drop its prices to remain competitive, but only if CBT is willing to absorb the entire corresponding financial loss created by this price decrease. This is precisely the economic outcome projected in CBT's request for suspension/modification. Staff has rejected CBT's proposal for meaningful, timely rate rebalancing, and apparently intends to require CBT to continue to fund below-cost services for a long period of time while effectively removing one of the primary financial supports for this obligation.

Second, Staff's proposal requires CBT to demonstrate tangible losses before it can begin to, very slowly, move residential prices closer to a level which recovers cost [Staff Report at p. 34]. However, substantial price pressure will begin with the advent of competitive entry in the business market, and CBT will be compelled to immediately compete with prices closer to the true cost of providing service in order to win and retain business customers.

Under Staff's proposal, CBT will have no means to compensate for this financial loss, and the resulting economic harm CBT will experience will be significant and immediate.

- Q. What is CBT's objection to Staff's recommendation regarding recombination of unbundled network elements (UNE)?
- A. CBT objects to Staff's failure to recommend a prohibition of competing carriers from purchasing and recombining all unbundled network elements which comprise an end-to-end service offered for resale [Staff Report at p. 35].
- Q. Does the Eighth Circuit Court ruling on UNE recombinations eliminate CBT's need for this temporary prohibition?
- A. No. The Eighth Circuit Court decision merely requires the requesting carrier to take the responsibility for combining elements. The court ruling does not prohibit a carrier from purchasing all of the unbundled network elements required to duplicate an end-to-end resale service, and recombining these elements to compete with CBT's services.
- Q. How does Staff's recommendation regarding recombinations impact the risk of significant economic harm to CBT?
- A. Like mandating the sale of business loops at cost-based rates, permitting recombinations to serve high-contribution business customers will permit carriers with little to no facilities investment to undercut CBT business prices. The resulting price pressure only exacerbates the scenario CBT projected for arbitrage caused by business loops priced at cost-based

rates. CBT's request for temporary suspension/modification of the requirement to permit carriers to recombine end-to-end elements is necessary and valid to enable CBT to sustain a gradual, rather than immediate, transition to full rate rebalancing.

VALUE-ADDED SERVICES PURCHASED WITH UNBUNDLED PORTS

- Q. What is CBT's objection to Staff's recommendation for pricing value-added services purchased with unbundled ports?
- A. CBT objects to Staff's failure to deny selling value-added services individually at the same price whether ordered with resale service or with the UNE [Staff Report at p. 35].
- Q. What is the impact of Staff's recommendation on CBT and customers in the Cincinnati market?
- A. Staff's opposition to this waiver request harms CBT's retail competitiveness and will increase the pressure to rebalance rates. Staff's position ignores the relationship between CBT's suspension/modification requests and the rebalancing plan. As stated in CBT's Application for Suspension/Modification, page 15, there are two likely scenarios which would result if CBT is not permitted to price vertical services at the resale level when purchased with unbundled ports. First, competitors purchasing vertical services at cost-based rates will be able to offer these service to customers very cheaply, and may drop prices to the market price floor (i.e., the UNE price from CBT plus the carrier's

incremental marketing cost). To compete, CBT would need to drop its value-added service prices as well, and as a result would incur an estimated \$10.1M in lost contribution from Ohio business customers alone in 1998, significant economic harm for a company of CBT's size [Application for Suspension/Modification, p.15-16].

The second scenario is that competing carriers would purchase unbundled ports and features at cost-based rates, but price certain vertical services at or just below CBT's retail prices. In this case, the result would be detrimental to overall consumer welfare because funds that historically would have subsidized residential service would be diverted to the competing carrier, leaving CBT or other Cincinnati market telecommunications customers with the burden of replacing the subsidy in some other fashion. In either scenario, the loss of contribution would jeopardize CBT's ability to support below-cost residential service during a gradual transition to rebalanced rates.

Q. If the Commission grants CBT's request to temporarily price vertical services at the resale level, are competing carriers precluded from obtaining margins similar to CBT's margins for these services?

No. CBT's proposal does not preclude facilities based providers from obtaining these margins. Competitors have switches in CBT's territory today, and vertical services are generally provided as features in the switch. Thus, facilities-based competitors can easily obtain margins similar to CBT by using their switches to provide service to their customers. Staff's proposal may actually discourage facilities-based competition because competitors

will have less incentive to invest in a switch if they cannot gain additional margins with their investment.

REVISED PRICING STRUCTURE FOR UNBUNDLED NETWORK ELEMENTS

- Q. What sections of the Cincinnati Bell Pricing Schedule for Interconnection have been modified in this proposed version?
- A. CBT is proposing modifications to Item IV Unbundled Network Elements for both unbundled loops (Item IV, A) and unbundled local switching features (Item IV,C, d, 1-2). In addition, Attachment B is new, and lists the individual features included in the proposed switch feature packages.
- Q. How are these proposed modifications identified on the Pricing Schedule?
- A. Changes made to the body of the Pricing Schedule and associated footnotes are shown in *italics*. Other minor changes for continuity were made, but are not italicized.
- Q. Why is CBT proposing these changes?
- A. The Unbundled Loop rate structure has been changed to provide greater clarity for understanding and ordering ease. The Unbundled Local Switching changes provide for recovery of switching feature costs. The proposed rate structure is consistent with the way CBT purchases features from its vendor, as Staff recommended, and includes a listing of

features contained in feature packages.

- Q. What specific changes are proposed for the Unbundled Loop rate structure (Item IV, A.)?
- A. Charges (e.g., conditioning, load removal) associated with specific loop types are now listed individually with each applicable Unbundled Loop. Since qualification is always required on all loop types except 2-Wire Basic Analog Voice Grade and 4-Wire Basic Analog Voice Grade, this charge is now bundled with the nonrecurring charge for the loop. Footnotes have been added which clarify that the qualification charge does apply if a customer cancels the Unbundled Loop order after qualification has been performed.
- Q. Do these changes in the Unbundled Loop rate structure alter the rates that carrier customers will pay?
- A. No. The interim Unbundled Loop rates listed are the same as those filed with the Commission in Case No. 97-152-TP-ARB.
- Q. What specific rate structure changes are proposed for Switching Features associated with Unbundled Local Switching (Item IV, C, d, 1-2)?
- A. CBT is proposing a rate structure for recovering feature costs associated with Unbundled Local Switching in a manner consistent with the way costs are incurred. Applicable feature packages are listed for each Line Side Port. Attachment B has been added to identify the specific features included in each feature package. For Trunk Side Ports, only the ISDN

Primary (PRI) Port has associated optional features, and these are priced individually.

CBT's proposed rate structure includes all features currently available for CBT's retail end users.

- Q. How can a carrier obtain access to a switching feature which is available in the switch generic, but is not currently offered by CBT to its retail customers?
- A. In this case, the carrier may submit a Bona Fide Request which CBT will investigate and price according to the Commission's rules.
- Q. Does this rate structure imply that all features will be activated when the Feature Package is ordered?
- A. No. The carrier must identify and order each feature which it desires to be activated.
- Q. Could there be associated non-recurring charges after the initial features are activated?
- A. Yes, non-recurring charges are applicable when features are added or changed subsequent to the initial order, since CBT will incur additional costs to make these changes. These non-recurring charges will be TELRIC-based. In the interim until these rates are developed, only a Service Order Charge will apply.

- Q. How does this proposed rate structure differ from the Pricing Schedule filed with the Commission in Case No. 97-152-TP-ARB?
- A. Unlike CBT's proposed rate structure, the current Pricing Schedule does not allow for recovery of switching feature costs, since the Arbitration Order in Case No. 97-152-TP-ARB mandated that all switching features be made available and included in the Usage Rate for Local Switching in the interim until the TELRIC proceeding is finalized.

INFORMATION IN SUPPORT OF CBT's CONTENTION OF ACTIVE COMPETITION IN CBT SERVICE TERRITORY

Q. What is the purpose of this segment of your testimony?

٠, ٠

- A. My testimony regarding competition supplements the testimony of Ms. Rayome and is not necessarily secured from generally available public documents.
- Q. What is the status of competitors' plans to deploy 5ESS or other similar switches that can deliver a host of directly competitive solutions to customers in CBT's market?
- A. In response to a request for admission filed by CBT, MCI admitted the statement on their web page that specifically stated MCI would build a switched network in Cincinnati by the end of 1997, is true and accurate. CBT believes that MCI has installed and is

currently testing the full capabilities of the switch with the intention of serving customers with their switch in Cincinnati by the end of 1997, or early in January 1998.

- Q. Are there any NECs with which CBT is currently involved in the exchange of local traffic?
- A. CBT is currently testing the exchange of local traffic actively with MCI as part of the ongoing interconnection implementation process. In addition, CBT is exchanging live traffic with Time Warner.
- Q. Are there any NECs currently collocating on any CBT premise for the purpose of exchanging traffic, or for access to unbundled network elements?
- A. Yes. CBT is currently providing collocation to Time Warner. Collocation for ICI and TCG is in the construction phase. CBT is prepared to respond to other collocation requirements of NECs in accordance with the Telecommunications Act and this Commission's Local Service Guidelines.
- Q. With how many NECs is CBT currently processing competitive orders through CBT's LEC-Center?
- A. CBT has an operational LEC Center processing INP and local service orders for reseller and facilities based competitors to CBT's retail business; specifically, Time Warner and Local Fone.

Supplemental Testimony Susan J. Maggard Case No. 96-899-TP-ALT Page 12

- Q. Does this conclude your testimony?
- A. Yes it does.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCI/CBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

| ITE | M II - BLV/BLVI Traffic | , | |
|-----|-----------------------------------|-------------------|-----------------|
| D. | Dedicated Transport ¹ | See IV. C | 3.2. below |
| C. | Tandem Transport Facility Mileage | \$.000073 | per minute/mile |
| В. | Tandem Switching | \$.002575 | per minute |
| Ā. | End Office Local Termination | \$.003782 | per minute |

ITEM 1 - Transport and Termination

Busy Line Verification (BLV) \$1.16 per use

Busy Line Verification Interrupt (BLVI) \$1.35 per use (in addition to BLV charge)

1TEM III - Transit Service

Tandem Switching See Access Tariff FCC No. 35 В. Tandem Transport Facility Mileage See Access Tariff FCC No. 35

ITEM IV - Unbundled Network Elements

| | | | Mo | nthly | • | Nonrecurring |
|----|------------|--|----------------------|---------------------------------------|-----------------|--|
| A. | U | nbundled Loops | Bend 1 | Band 2 | <u>Band 3</u> | |
| | I. | 2-Wire Basic Analog Voice Grade | \$17.44 | \$22.23 | \$25.84 | \$99.43 |
| | 2 . | 2-Wire Improved Loss Analog Voice Grade Conditioning ³ | \$17.44 \$20.93 p | \$22.23 er month | \$25.84 | \$145.71 ² \$55.01 |
| | 3. | 2-Wire Non-Loaded Copper Loop Load Removal (up to 5 Loops to same location) ³ | \$17.44 | \$22.23 | 32 5 .84 | \$145.71 ² . \$4 60.65 |
| | 4. | 2-Wire 160 Kbps Digital Conditioning Copper Loop ³ Conditioning Derived Loop ³ | | \$22.23 5,45 per mo 9,55 per mo | | \$178.92 ⁴ \$464.28 \$60.42 |

Applies in lieu of Tandem Switching and Tandem Transport Facility Mileage when local traffic is not routed through a tandem switch. The dedicated transport rate that the requesting carrier pays shall recover only the costs of the portion of that trunk capacity used by the requesting carier to send the traffic that it will terminate on the other carrier's network.

² This nonrecurring charge includes a qualification charge of \$46.28 which will be charged if customer cancels the order after qualification has been performed.

 $^{^3}$ If the qualification process indicates that conditioning or load removal is required, these charges will apply.

⁴ This nonrecurring charge includes a qualification charge of \$79.49 which will be charged if customer cancels order after qualification has been performed.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCVCBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

| | completion of Case No. | ソローロソソー 1 1 | -ALI. | | |
|------------|--|--------------------|-----------------------------|--------------------|------------------------------|
| 5. | 2-Wire HDSL Compatible | \$17.44 | \$22.23 | \$25.84 | \$195.395 |
| б. | 4-Wire Basic Voice Grade Analog | \$34.89 | \$44.46 | \$51.68 | \$122.27 |
| 7. | 4-Wire Improved Loss Analog Voice Grade Conditioning ³ | \$34.89 | \$44.46 TBD ⁷ | \$51.68 TB. | \$122.276 D ⁷ |
| 8 . | 4-Wire Non-Loaded Copper Loop Load Removal (up to S Loops to same location) ³ | \$34.89 | \$44.46 | \$51.68 | \$122.27 TBD ⁷ |
| 9 . | 4-Wire HDSL Compatible | \$34.89 | \$44.46 | \$51.68 | \$285.928 |
| 10. | 4-Wire 64 Kbps Digital ⁹ Hubbed Non-Hubbed | \$62.41 \$62.41 | \$62.41 \$62.41 | \$62.41 \$62.41 | |
| 11. | 4-Wire 1.544 Mbps Digital ⁹ | \$121.06 | \$121.06 | 121.06 | • |

B. Access to NID10

Included in loop rate.

- C. Unbundled Local Switching
 - Usage Rate for Local Switching¹¹

\$.003782 per minute

| 2. | Port Rates | Monthly | Nonrecurring |
|----|-----------------------|----------------|--------------|
| | a. Line Side Ports | | |
| | Analog Basic | \$ 2.97 | \$ 32.45 |
| | Analog PBX | \$ 2.97 | \$41.90 |
| | ISDN Basic (BRI) | \$ 27.28 | \$ 42.50 |
| | Centrex ¹² | | |
| | Analog Line | \$ 2.97 | \$ 48.18 |

⁵ This nonrecurring charge includes a qualification charge of \$95.96 which will be charged if customer cancels order after qualification has been performed.

⁶ In the interim until TELRIC based rates are developed, a qualification charge of \$46.28 applies, in addition to this charge. This qualification charges applies if the customer cancels the order after qualification has been performed.

In the interim, until TELRIC based rates are developed, conditioning charges are the same as those shown above for like 2-wire loops.

⁸ This nonrecurring charge includes a qualification charge of \$163.65 which will be charged if customer cancels order after qualification has been performed.

⁹ Proxy rates from Access Tariff shown; TELRIC rates TBD.

¹⁰ Access to Network Interface Device for Accessing Customer Premises Wiring (Inside Wire) only; does not include the NID itself.

¹¹ Per minute originating and terminating on another port within the same switch (line side or trunk side); does not include transport which may be obtained from CBT, self provided by MCIm or a third party provider. Includes switching and trunk ports. In the interim, vertical services are included with this rate element, pending the completion of Case No. 96-899-TP-ALT.

¹² Centrex Ports not available without Centrex Setup.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCI/CBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

| | | completion of Case A | 0. 30-933-1 L-YT I | • |
|----|--------------|------------------------------------|-----------------------|------------------|
| | Aı | nalog Attendant Line | \$ 8 .96 | \$ 48.18 |
| | IS | DN Line | \$ 33.37 | \$ 52.24 |
| | IS | DN Attendant Line | \$ 40.15 | \$ 52.24 |
| b. | Trunk Side P | orts | | |
| | Analog | DID | \$ 19.00 | \$ 58.62 |
| | Digital | | \$180.90 | \$108.23 |
| | | rimary (PRI) | \$464.04 | \$121.57 |
| €. | Setup/Activa | tion Features for Ports | Non | recurring Charge |
| | . | | Initial ¹³ | Subsequent14 |
| | (1) Trunk (| Group Setup ¹⁵ | | |
| | | nalog DID Trunk Port | \$ 14.81 | \$ 14.73 |
| | | igital Trunk Port | \$ 14.81 | \$ 14.73 |
| | | DN Primary (PRI)Port | \$ 14.81 | \$ 14.73 |
| | | Member Setup ¹⁶ | 9 17.01 | ⊕ 14.7 3 |
| | • • | igital Trunk Port | \$ 4.37 | \$ 8.33 |
| | | DN Primary (PRI) Port | \$ 4.37 | |
| | 13 | Div Primary (PRI) Port | \$ 4.37 | \$ 8.33 |
| | (3) Route I | ndex Setup ¹⁷ | | |
| | A. | nalog DID Trunk Port | \$ 3.96 | \$ 6.81 |
| | D | igital Trunk Port | \$ 3.96 | \$ 6.81 |
| | IS | DN Primary (PRI) Port | \$ 3.96 | \$ 6.81 |
| | (4) Directo | ry Number Activation ¹⁸ | | |
| | | nalog DID Trunk Port | \$ 1.32 | \$ 1,32 |
| | | igital Trunk Port | \$ 1.32 | \$ 1.32 |
| | | DN Primary Port | \$ 1.32 | \$ 1.32 |
| | 10 | | · · · · | * |

| d. | Switching Features 19 | | <u>Monthly</u> | Nonrecurring | |
|----|-----------------------|-----|--------------------------------|---------------------|-----|
| | (1) | Fea | ture Packages for Line Side Po | rts ²⁰ | |
| | • • | (a) | Analog Basic | TBD | TBD |
| | | (b) | Analog PBX | TBD | TBD |
| | | C | ISDN Basic (BRI) | TBD | TBD |
| | | (d) | Centrex Analog Line | TBD | TBD |

¹³ Applies when ordered with initial installation of Port.

¹⁴ Applies when ordered subsequent to initial installation of Port.

¹⁵ At least one Trunk Group must be established for Analog DID, Digital Trunk, and ISDN Primary Ports.

¹⁶ Trunk Members can only be assigned to established Trunk Groups. The initial charge for Trunk Member setup also applies to each trunk member on a Digital or ISDN Primary (PRI) Port which is migrating from an existing service or combination to another service or combination.

¹⁷ One or more Route Index must be setup for each DID Trunk. Charge does not apply if DID is not included on the trunk port.

¹⁸ Number Activation applies to DID only. There is an activation charge for each Directory Number.

¹⁹ In the interim, switching features are included in C.1, Usage Rate for Local Switching, pending the outcome of Case No. 96-899-TP-ALT. If switching features are added or changed subsequent to the initial installation of service, a Service Order Charge applies.

²⁰ Individual Features included in Feature Packages are shown on Attachment B.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCUCBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

| (e) | Centrex Analog Attendant Line | TBD | TBD |
|--------|-------------------------------|-----|-----|
| Ø | Centrex ISDN Line | TBD | TBD |
| (8) | Centrex ISDN Attendant Line | TBD | TBD |
| (2) Fe | atures for Trunk Side Ports | | |
| (a) | Analog DID | | |
| | None | | |
| (b) | Digital Trunk | | |
| | None | | |
| 0 | ISDN Primary (PRI) | | |
| | -Call-by-Call Access | TBD | TBD |
| | -Calling Number Delivery | TBD | TBD |
| | -PRI "D" Channel Backup | TBD | TBD |
| | | | |

(3) Centrex Setup Charge

"ICB"21

D. Interoffice Transmission Facilities

Shared Transport²²

\$.002042 per minute.

2. Dedicated Transport and Unbundled Dedicated Entrance Facility

| D\$1 | Proxied from Access T | ariff FCC No. 35 |
|-------|-----------------------|------------------|
| DS3 | u | 64 |
| OC3 | u | 44 |
| OC12 | u | 44 |
| OC 48 | u | 64 |

a. Optional features

Clear Channel Capability, per 1.544 (DS1) bit stream

Proxied from Access Tariff FCC No. 35

Central Office Multiplexing DS3 to DS1

Proxied from Access Tariff FCC No. 35

DS1 to Voice Grade

| b. | Protection | Monthly | Nonrecurring |
|----|---|---------|--------------|
| | 1 + 1 Protection for OC3, OC12 and OC 48 | "ICB" | "ICB" |
| | 1 + 1 Protection with Cable Survivability for OC3, OC12 and OC48 | "ICB" | "ICB" |

²¹ "ICB" means that rates will be determined on an Individual Case Basis.

²² Shared Transport consists of CBT interoffice transport facilities between CBT end offices and does not include interoffice transport facilities to the access tandem. Shared Transport is a distinct rate element that cannot be provisioned separate from unbundled local switching.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCVCBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

1 + 1 Protection with Route Survivability for OC3, OC12 and OC48

"ICB"

"ICB"

3. Dark Fiber

Same rates as shown in G. 2. above for Dedicated Interoffice Transport.

E. Miscellaneous Charges

Nonrecurring Charge

1. Service Order Charge²³

\$ 10.66

2. Service Order Change Charge/Record Charge

\$ 21.19

3. Line Connection 24

\$ 24.57

4. Additional Engineering, Additional Labor, and Maintenance of Service Charges

These charges apply as specified in CBT's Access Tariff FCC No. 35, whenever there are requirements for Service Coordination, Stand-by, Outside Normal Business Hours Installation and Repair, and Maintenance Of Service.

F Signaling Networks (CCS/SS7)

1. Signaling Link

Proxied from Access Tariff FCC No. 35

2. Port Termination

G. Operator Services and Directory Assistance

| 1. Operator: | Services |
|--------------|----------|
|--------------|----------|

"TBD"25

2. Directory Assistance Facilities

"TBD"

H. AIN

1. AIN Service Package Application Process

"TBD"

2. AIN Service Creation Environment Access

"TBD"

3. AIN Service Management System Access

"TBD"

4. AIN SCP Platform

"TBD"

ITEM V - Interim Number Portability

| A, | Remote Call Forwarding ("RCF") | <u>Monthly</u> \$ 3.16 | Nonrecurring |
|----|--------------------------------|---------------------------|--------------|
| | Per additional call path | \$.56 | - |
| B. | Direct Inward Dialing ("DID") | \$18.93 | • |

²³ Applies as necessary for service orders.

²⁴ Applies for service migration.

²⁵ Rates are "To Be Developed". Existing tariff rates apply pending completion of Case No. 96-899-TP-ALT.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCI/CBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

ITEM VI - Wholesale Resale Services

Resale Discount: A Resale discount of 10.85% applies when CBT provides Operator Services and Directory Assistance (OS/DA) on resold services and a discount of 11.50% applies when the OS/DA is provided by the reseller.

Outside Normal Business Hours

Provisioning Requests

See Additional Labor Charges in ITEM IV.G. 4.

ITEM VII - E 911 Service

Rate per End User Line

\$.12

ITEM VIII - Collocation

See CBT's Access Tariff FCC No. 35.

ITEM IX - Structure

See CBT's Pole and Anchor, Attachment and Conduit Occupancy Accommodations Tariff, PUCO No. 1.

CINCINNATI BELL PRICING SCHEDULE FOR INTERCONNECTION MCUCBT AGREEMENT

The rate structures/levels shown below are for interim use (and subject to true up) pending the completion of Case No. 96-899-TP-ALT.

ATTACHMENT A

PRICING BANDS BY CBT WIRE CENTER (CO)

| BAND | WIRE CENTER | <u>BAND</u> | WIRE CENTER |
|----------------|---|-----------------------|---|
| 1 - MOST DENSE | 209 W 7th Street Avondale Cherry Grove Cheviot Covedale Crescentville Evendale Fairfield Glendale Groesbeck Hartwell Hyde Park Madisonville Montgomery Mt Healthy | 2 - MIDDLE DENSITY | Batavia Goshen Hamilton Hamlet Harrison Loveland Miami Milford Sayler Park Tobasco West Chester |
| | Mt Washington North Greenhills Northside Norwood Price Hill Rossmoyne St Bernard Westwood | 3-RURAL | Bethel New Richmond Newtonsville Reily Seven Mile Shandon Williamsburg |

Pricing Schedule - Attachment B

1

FEATURES INCLUDED IN PORTS AND FEATURE PACKAGES'

Feature Packages for Line Side Ports

ANALOG BASIC

Three Way Calling

Call Forwarding Variable

Speed Calling 8 Number (Customer Changeable Speed Calling - I digit)

Speed Calling 30 Number (Customer Changeable Speed Calling - 2 digits)

Call Waiting

Call Waiting Cancel

Repeat Dialing (Automatic Callback)

Call Return (Automatic Recall)

Caller ID (Calling Number Delivery)

Per line Number Privacy (Calling Number Delivery Blocking)

Priority Call (Distinctive Ringing/Call Waiting)

Call Tracing (Customer Originated Trace)

Call Block (Selective Call Rejection)

Priority Forward (Selective Call Forwarding)

Calling Name (Calling Name Delivery)

Anonymous Call Rejection

Distinctive Ring

Call Forwarding Don't Answer

Call Forwarding Busy Line

Calling Name (Calling Name Delivery)

ANALOG PBX

Hunting (Multiline or Circular)

Toll Restriction

ISDN Basic (BRI)

Call Hold

Display Service

Three Call Reference

Call Transfer

Conference and Call drop

Calling Number Delivery

Hunting

Additional Call Reference

6-Party Conference Calling

Call Pickup

Electronic Key Telephone Service

Shared Directory Numbers

Bridging

Auto/Manual Bridged Call Exc

Intercom Calling

Abbreviated Ring/Delayed Ring

Additional Directory Number

CENTREX ANALOG LINE

Features included in Port Rate

Direct Inward Dialing

Access will be provided to all features listed, but only actual features ordered will be activated.

Direct Outward Dialing
Identification of Outward Dialing
Intercom Dialing
Touch Tone

Features included in Feature Package

Night Answer-Trunk Transfer Any Station
3-Way Conference/Transfer/Hold
Call Forwarding Variable
Speed Calling-I Digit - 6 Number
Distinctive Ringing/Call Waiting Tone
Call Hold
Call Pickup
Directed Call Pick-Up, Non Barge-In
Dial Call Waiting
Multiline Hunt
Circular Hunt
Toll Restriction
Uniform Call Distribution

CENTREX ANALOG ATTENDANT LINE

Features included in Port Rate

Direct Inward Dialing
Direct Outward Dialing
Identification of Outward Dialing
Intercom Dialing
Touch Tone

Features included in Feature Package

Call Forwarding Variable
Distinctive Ringing/Call Waiting Tone
Call Hold
Call Pickup
Directed Call Pick-Up, Non Barge-In
Night Answer-Trunk Transfer Any Station
Attendant Camp on Non Data Link Console
Attendant Night Service
Dial Call Waiting
3-Way Conference/Transfer/Hold
Attendant Speed Dialing -6 and 30 Number
Multiline Hunt
Circular Hunt
Uniform Call Distribution

CENTREX ISDN LINE

Features included in Port Rate
Direct Inward Dialing
Direct Outward Dialing

Intercom Dialing
Touch Tone

Electronic Key Service

Features included in Feature Package

Identification of Outward Dialing

ISDN Shared Directory Number

ISDN Multiple Call Appearances

ISDN Bridged Call Exclusion, Privacy

ISDN Inspect Key

Dial Call Waiting

ISDN Call Forwarding Variable

ISDN Call Forwarding Busy Incoming Only

ISDN Call Forwarding Don't Answer

ISDN Call Hold

ISDN Add-on Consultation Hold

ISDN 3-Way Calling

ISDN Call Transfer Individual All Calls

ISDN Call Pick-Up

ISDN Directed Call Pick-Up Non Barge-In

ISDN Automatic Call Back

ISDN Speed Calling-6 Number

ISDN Night Answer-Trunk Answer Any Station

ISDN Distinctive Ringing

ISDN Call Restriction (Semi-Restricted Originating and Terminating)

Multiline Hunting

Circular Hunting

Custom Set configuration

ISDN Multiline Hunting

ISDN Circular Hunting

Secondary Telephone Number (Directory Number Buttons)

ISDN Toll Restriction

Uniform Call Distribution

CENTREX ISDN ATTENDANT LINE

Features included in Port Rate

Direct Inward Dialing

Direct Outward Dialing

Identification of Outward Dialing

Intercom Dialing

Touch Tone

Electronic Key Service

Features included in Feature Package

ISDN Shared Directory Number

ISDN Multiple Call Appearances

ISDN Bridged Call Exclusion, Privacy

ISDN Time and Date Display

ISDN Attendant Inspect

ISDN Attendant Night Service

Attendant Interposition Transfer

Attendant Timed Reminder

Dial Call Waiting

Attendant Speed Dialing -6 and 30 Number

ISDN Attendant Camp-on

ISDN Call Forwarding Variable

ISDN Attendant Direct Station Select

ISDN Attendant Position Busy

ISDN Attendant Call-Hold

ISDN Add-on Consultation Hold

Pricing Schedule - Attachment B

ISDN 3-Way Calling
ISDN Call Transfer Individual All Calls
ISDN Call Pick-Up
ISDN Directed Call Pick-Up Non Barge-In
ISDN Night Answer-Trunk Answer Any Station
ISDN Calling Number Delivery
ISDN Distinctive Ringing
Custom Set configuration
ISDN Multiline Hunting
ISDN Circular Hunting
Uniform Call Distribution