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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of Cincinnati)
Bell Telephone Company for Approval of a)
Retail Pricing Plan which May Result in Future) Case No. 96-899-TP-ALT
Rate Increases and for Approval of a New)
Alternative Regulation Plan)

**OHIO CABLE TELECOMMUNICATIONS ASSOCIATION
OBJECTIONS TO THE STAFF REPORT**

In accordance with the authority of R.C. 4909.19, OAC 4901-1-28 and the first Finding of the November 24, 1997, Entry herein, the Ohio Cable Telecommunications Association ("OCTA") submits the following objections to the November 17, 1997, Staff Report of Investigation.

As provided at OAC 4901-1-28(B) and (C), these objections relate to the "findings, conclusions, or recommendations contained in the report or to the failure of the report to address one or more specific items." These objections shall frame OCTA's issues in this proceeding.

These objections also identify specific parts of the Staff Report with which OCTA agrees. The purpose for doing so is to assure that if there is any change in the findings or recommendations of the Staff, OCTA reserves the right to pursue those issues with witnesses, evidence, cross examination and briefing, as fully as if such issues had been identified as OCTA objections to the Staff Report.

1. OCTA objects to the failure of the Staff Report to reject the proposal of Cincinnati Bell Telephone Company ("CBT") to price pole and anchor attachment services on an

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ICB basis. While the Staff Report at page 68 rejected CBT's proposal to price conduit occupancy on an ICB basis (a rejection with which OCTA agrees), the report failed to do so with respect to CBT's pole and anchor attachment services.

Currently these services are monopoly services in Cell One. Exhibit 1 to CBT's Application gives no indication of any change to that classification. For example, neither pole and anchor attachment nor conduit services are found in the list of services and classifications proposed for market based pricing rules, found at pages 116-120 of Exhibit 1 to the Application. However, at page 254 of Exhibit 2 to the Application, CBT proposes to switch pole and anchor attachment and conduit occupancy services from Cell One to "market based."

The utility then describes its ultimate solution at page 13 of Section E-3 of its Standard Filing Requirements, where the utility proposes to replace rate regulation of these monopoly services by individually negotiated, deregulated rates which it euphemistically describes as ICB (individual case basis) rates. In other words, the utility proposes to charge for these essential services--for which there is no meaningful competition in nearly all of the utility's service territory--whatever the market will bear.

While the Staff Report at page 68 properly rejected CBT's proposal to price conduit occupancy services on an ICB basis, it neglected to do so for pole and anchor attachment services. OCTA objects to that oversight.

2. OCTA objects to the Staff Report's proposal at page 70 to subclassify Cell One into core services and non-core services, with non-core services having greater pricing flexibility. Nowhere does R.C. 4927.03(A) allow for different alternative regulatory requirements based upon such a distinction.

The statute explicitly defines the conditions under which the Commission may establish alternative regulatory requirements to apply to any service. Those conditions are set forth in R.C. 4927.03(A)(1) as follows:

- (a) The telephone company or companies are subject to competition with respect to such public telecommunications service;
- (b) the customers of such public telecommunications service have reasonably available alternatives.

Subdivision (A)(2) elaborates upon these criteria. Nowhere does this statutory language authorize a distinction between core services and non-core services. OCTA objects to the Staff's proposed subclassification of Cell One services into core services and non-core services for pricing flexibility purposes.

3. OCTA agrees with the Staff Report's rejection at pages 45 and 70 of CBT's two cell approach to pricing flexibility. OCTA further agrees with the Staff Report's recommendation at pages 45, 46 and 70 that the four-cell structure adopted by the Commission in the alternative regulation rules attached as Appendix 1 to the Commission's March 10, 1993, Entry on Rehearing in PUCO Case No. 92-1149-TP-COI be maintained and further that any cell reclassifications based on a competitive showing be determined, at least in part, on the extent of facilities-based competition that exists for a particular service.

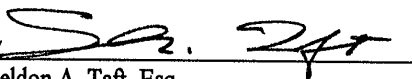
4. OCTA agrees with the Staff Report's recommendation at page 71 that all services continue to be placed in the cell in which they currently reside. As noted above, OCTA

submits that this recommendation apply not only to CBT's conduit occupancy services but also to its pole and anchor attachment services.

5. OCTA objects to the Staff Report's recommendation at page 123 approving CBT's distance learning network enhancement commitment. OCTA's member companies in CBT's service area are actively engaged in competitive distance learning services and programs. CBT proposes to use its so-called "commitments" as vehicles for subsidizing no cost competition against the competitive activities of OCTA's member companies. This subsidization of competitive services under the cloak of so-called "commitments" will effectively destroy this superior and lower cost competition of OCTA's member companies. Such cross subsidization would also violate subdivisions (4) and (5) of the Telecommunications Policy of Ohio set forth at R.C. 4927.02(A).

Respectfully submitted,

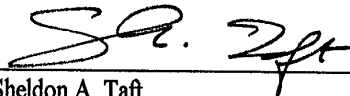
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CERTIFICATE OF SERVICES

I hereby certify that a copy of the foregoing OCTA Objections to the Staff Report was mailed to all parties in this case shown on the list below by first class mail, postage prepaid, this 17th day of December, 1997.


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