



BUNDLING & THE RULES

Burnie Snoddy

Kiesling Associates, LLP



THE RULES

*THE SAME RULES APPLY TO
BUNDLING AS TO PRICING OF
OTHER SERVICE*

STATE OF IOWA RULES

- **199—22.10(476) Unfair practices.** All unfair or deceptive practices related to customer provision of equipment are prohibited. Any failure to provide information to customers or to deal with customers who provide their own terminal equipment or inside station wiring or an alteration of the charges for or availability of equipment or services on that ground, unless specifically authorized by board order or rule and by the utility's tariff, shall constitute unfair or deceptive practices. In cases of equipment in compliance with Federal Communications Commission registration requirements, telephone utility personnel are prohibited from making any statement, express or implied, to, or which will reach, a customer or prospective customer that terminal equipment in compliance with Federal Communications Commission registration requirements cannot properly be attached to the telephone network. This does not apply to good-faith efforts to amend the Federal Communications Commission requirements.
- The listing of unfair practices in this rule shall not limit the types of acts which may be found to be unfair nor shall those listed be used to establish decisional criteria operating to exempt any act otherwise unfair from the intent of this rule.

Federal Excise Tax

Exemptions

- Payments for certain services or payments from certain users are exempt from the *communications* tax.
- **Nontaxable service.** Nontaxable service means bundled service and long distance service. Nontaxable service also includes pre-paid telephone cards and pre-paid cellular service.
- **Bundled service.** Bundled service is local and long distance service provided under a plan that does not separately state the charge for the local telephone service. Bundled service includes plans that provide both local and long distance service for either a flat monthly fee or a charge that varies with the elapsed transmission time for which the service is used. Telecommunications companies provide bundled service for both landlines and wireless (cellular) service. If Voice over Internet Protocol service provides both local and long distance service and the charges are not separately stated, such service is bundled service.
- The method for sending or receiving a call, such as on a landline telephone, wireless (cellular), telephone or some other method, does not affect whether a service is local-only or bundled.

INTERSTATE RATES

- NECA SLC
- NECA FUSC

LOCAL SERVICE

IF YOU WANT TO UNDERSTAND THE DETAIL
OF ACCESS SERVICE ORDERS, I STRONGLY
RECOMMEND YOU ATTEND ONE OF THE
UPCOMING NECA WEBCAST TRAINING
SESSIONS



NONREGULATED SERVICE



TAXES!

- STATE OF IOWA
- FEDERAL EXCISE TAX
- USF CONTRIBUTION



- Section 1. Section 422.43, Code 2001, is amended by adding the following new subsections:
- **NEW SUBSECTION. 16.**
- A tax of five percent is imposed upon the gross receipts from sales of bundled services contracts. For purposes of this subsection, a "bundled services contract" means an agreement providing for a retailer's performance of services, one or more of which is a taxable service enumerated in this section and one or more of which is not, in return for a consumer's or user's single payment for the performance of the services, with no separate statement to the consumer or user of what portion of that payment is attributable to any one service which is a part of the contract.

- Section 1. Section 422.43, Code 2001, is amended by adding the following new subsections:
- **NEW SUBSECTION. 16. (continued)**
 - b. For purposes of the administration of the tax on bundled services contracts, the director may enter into agreements of limited duration with individual retailers, groups of retailers, or organizations representing retailers of bundled services contracts. Such an agreement shall impose the tax rate only upon that portion of the gross receipts from a bundled services contract which is attributable to taxable services provided under the contract.

STATE OF IOWA

State sales

Communication Service

- The gross receipts from the following are taxable:
 - ✓ The sale of intrastate communication (The sale of interstate communication is exempt from tax.)
 - ✓ Prepaid telephone calling cards and prepaid authorization numbers
 - ✓ Intrastate fax services
 - ✓ Services of transmitting messages, night letters, day letters and all other messages of similar nature
 - ✓ Sales from coin-operated telephones
 - ✓ Telegrams and similar charges

FEDERAL EXCISE TAX



FEDERAL USF CONTRIBUTION

CONTRACTS vs TARIFF

- A WORD DOC WILL BEGIN WITH THE CIRCUIT NUMBER
- AN ASR WILL BEGIN WITH THE ASR ADMIN SECTION AND THE REQUESTING COMPANY CODE
- AN ASR HAS BILLING INFORMATION
- A QWEST WORD DOC COMES FROM THE QWEST FAX FARM
- AN ASR COMES FROM A REAL PLACE ON EARTH

SPECIAL ACCESS FORMS

- ASR
- TRANSPORT REQUEST
- SERVICE ADDRESS LOCATION INFORMATION FORM or SALI
- MULTI-EC FORM

SIDE TRACK #1

- If you are going to work with a Word Doc, then you should know how to read a special circuit number:

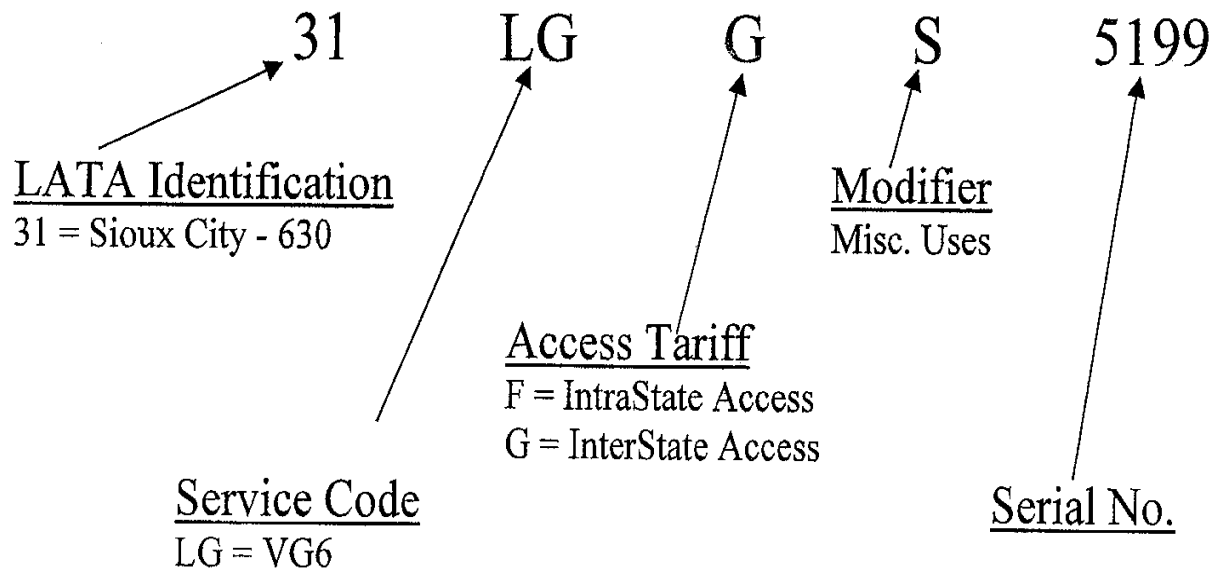
EXAMPLE:

31/ LGGS/ 95512

Additional information can be found in NECA Exchanges #18

Access Circuit Identification Structure

31 / LGGS / 95512



OTHER CIRCUIT ID

ILEC Circuit ID: 366.HCGS.I2037

INS Circuit ID: HCGS.17262.ITC.IAS

QWEST Circuit ID: 32.HCGS.071127.NW

ASR (CONT)

Field Abbreviation	Field #	Field Name
CCNA	1	Customer Carrier Name Abbreviation
ICSC	6	Interexchange Customer Service Center
CC	7	Company Code
DDD	12	Desired Due Date
REQTYP	21	Requisition Type and Status
ACT	22	Activity
SUP	28	Supplement Type
EXP	32	Expedite
AENG	33	Additional Engineering
ALBR	34	Additional Labor
PIU	49	Percentage of Interstate Usage
QTY	53	Quantity
ACTL	61	Access Customer Terminal Location
ICOL -	37	ICO Location
TE	77	Tax Exemption
BILL SECTION		COMPLETE SECTION



ASR (CONT)

REQTYP - Requisition Type and Status

Identifies the type of service being requested and the status of the request.

NOTE 1: A request may be issued as a Service Request (Inquiry) or Firm Order. The Service Request and Firm Order process description can be found in the Access Service Ordering Overview (ATIS/OBF-ASR-000, Section 5, Four Step Ordering Process).

NOTE 2: The first character of REQTYP specifies the type of service/element.

NOTE 3: The second character of REQTYP specifies the status of the request in the four step order process.

VALID ENTRIES:

1st Character

- A = Switched Access - Feature Group A
- E = End User Special Access, DNAL, Part Time/Full Time Television or Program Audio
- L = CCS Link or Unbundled STP Port
- M = Trunking (FG B, C, D, SAC NXX, Wireless and Local)
- R = Ring
- S = Special Access, Full Time/Part Time Television or Program Audio, DNAL Switched Access Facility, Unbundled Dedicated Transport, Unbundled Multiplexer
- V = Broadband Services
- W = WATS Access Line
- X = Broadband End User Services

ASR (CONT)

REQTYP - Requisition Type and Status

2nd Character (4-Step Process) Service Request: Entered by:

Step 1 – Service Request

A = Manual/mechanized Customer

F = Verbal Provider

G = Access Service Request follow up to verbal Customer

Step 2 – Service Request Confirmation

B = Manual/mechanized Provider

Step 3A – Firm Order – Service Request Sent (Same PON)

C = Manual/mechanized Customer

H = Verbal Provider

J = Access Service Request follow up to verbal Customer

Step 3B – Firm Order – Service Request Not Sent

D = Manual/mechanized Customer

J = Access Service Request follow up to verbal

K = Verbal Provider

Step 4 – Firm Order Confirmation (FOC or DOC)

E = Manual/mechanized Provider

USAGE: This field is required.

DATA CHARACTERISTICS:

2 alpha characters

EXAMPLE: M A



ASR (CONT)

ACT - Activity Identifies the activity involved in this service request.

NOTE 1: The activity defined in this field is circuit activity from the customer perspective and does not necessarily reflect the type of provider order activity that would result.

NOTE 2: On a supplement to a request this field carries the original activity type.

VALID ENTRIES:

C = Change or modification to an existing service

D = Disconnection or decrease in capacity

M = Inside move of the physical termination within a building

N = New installation or increase in capacity.

R = Record activity is for ordering administrative changes.

T = Outside move of end user location

USAGE: This field is required.

DATA CHARACTERISTICS: 1 alpha character

EXAMPLE: N



ASR (CONT)

RTR - Response Type Requested Identifies the type of confirmation response requested by the customer.

NOTE 1: Changes to this field are only permitted prior to confirmation.

VALID ENTRIES:

D = Send DOC only

F = Send FOC only

N = No response required

S = Send FOC and DLR; CDLRD waived

USAGE: This field is required.

DATA CHARACTERISTICS: 2 alpha/numeric characters

EXAMPLE: N

ASR (CONT)

SUP - Supplement Type A supplement is any new iteration of an ASR. The entry in the SUP field identifies the reason for which the supplement is being issued.

VALID ENTRIES:

1 = Cancel - Indicates that the pending order is to be canceled in its entirety.

2 = New Due Date - Indicates that the pending order requires only a change of due date.

3 = Other - Any other change to the request.

4 = Correction - Indicates that this request is being issued to correct a previous request for which a firm confirmation has not been received.

USAGE: This field is conditional.

DATA CHARACTERISTICS: 1 numeric character

EXAMPLE: 4

ASR (CONT)

EXP - Expedite Indicates that expedited treatment is requested and any charges generated in provisioning this request (e.g., additional engineering charges or labor charges if applicable) will be accepted.

VALID ENTRIES:

Y = Expedite Charges Authorized

USAGE: This field is conditional.

NOTE 1: Required when desired due date is less than the standard interval for the provisioning of the service and the ACT field is not "D".

NOTE 2: Prohibited when the ACT field is "D", except outward WATS service.

NOTE 3: Otherwise optional.

DATA CHARACTERISTICS: 1 alpha character

EXAMPLE: Y

ASR (CONT)

AENG - Additional Engineering

Indicates that if additional engineering is required, an estimate of the charges is to be forwarded to the initiator of the request.

VALID ENTRIES:

- 1 = overtime engineering
- 2 = engineering connections when more than one provider is providing the access service
- 3 = overtime engineering and engineering with other providers
- 4 = other engineering

USAGE: This field is conditional.

DATA CHARACTERISTICS: 1 numeric character

EXAMPLE: 3

ASR (CONT)

ALBR - Additional Labor

Indicates that additional labor is requested and charges will be accepted in conjunction with the Access Service Request, (e.g., Sunday or out of normal business hour installation is being requested).

VALID ENTRIES:

- 1 = Overtime installation
- 2 = Testing with other providers
- 3 = Other labor
- 4 = Overtime installation and testing with other providers
- 5 = Overtime and other labor
- 6 = Testing with other providers and other labor
- 7 = Overtime installation, testing with other providers and other labor

USAGE: This field is conditional.

DATA CHARACTERISTICS: 1 numeric character

EXAMPLE: 2



ASR (CONT)

PIU - Percentage of Interstate Usage

Identifies the expected Interstate Usage for the access service on this request. Both Interstate and Intrastate may be ordered on a single Access Service Request by specifying the applicable percent of Interstate usage. However, two Access Service Requests may be related to one another through the entry RPON (Related Purchase Order Number).

VALID ENTRIES: 0 to 100 OR LOF (Letter on File)

QTY - Quantity

Identifies the quantity of circuits, ring segments, BHMCs, or the percent of market share involved in this service request.

ACTL - Access Customer Terminal Location

Identifies the CLLI Code of the customer facility terminal location. The CLLI Code will have been previously assigned.



ASR (CONT)

ICOL - ICO Location

Identifies the serving wire center of the Independent Company (ICO) for the end user location.

TE - Tax Exemption

Indicates that the customer has submitted a tax exemption form to the provider.

Billing Section – This is the section that explains who and where to bill

TR (cont)

CCNA - Customer Carrier Name Abbreviation

Identifies the COMMON LANGUAGE IAC code for the customer submitting the ASR and receiving the Confirmation Notice Form (CN).

DATA CHARACTERISTICS: 3 alpha character

EXAMPLE: U T C

TR (cont)

NC - Network Channel Code

Identifies the network channel code for the circuit(s) involved.

The NC code describes the channel provided by the provider.

NOTE 1: The format and structure of this field is defined by ANSI in document T1.223, Structure and Representation of Network Channel (NC) and Network Channel Interface (NCI) Codes for the North American Telecommunications System. The Network Channel Code consists of the following elements:

1. **Channel Service Code – Positions 1 and 2 describe the** channel service code in an encoded form. The channel service code will typically be specified as the service code of the special service circuit or the transmission grade of the message trunk circuit. (2 alpha or 2 alpha/numeric characters).
2. **Optional Feature Code – Positions 3 and 4 represent** the option codes available for each channel service code. Standard combinations of this code will allow the customer to enhance the technical performance of the requested channel, or to further identify the type of service. It is also used to specify options such as conditioning, effective 4-wire, multiplexing, etc. (2 alpha or 2 alpha/numeric characters).

NOTE 2: If this field indicates that bridging is involved, the bridging location must be specified in the CKLT field.

VALID ENTRIES: NC Code

NOTE 1: Valid NC codes are outlined in Telcordia Technologies practice BR 795-403-100.

DATA CHARACTERISTICS: 4 alpha/numeric characters

EXAMPLE: L G C B



TR (cont)

NCI - Network Channel Interface Code

Identifies the electrical conditions on the circuit at the ACTL/Primary Location.

NOTE 1: The format and structure of this field is defined by

ANSI in document T1.223, Structure and Representation of Network Channel (NC) and Network Channel Interface (NCI) Codes for the North American Telecommunications System. The Network Channel Code consists of the following elements:

1. **Total Conductors - Positions 1 and 2 identify the total** number of physical conductors (e.g., wires) required at the interface (2 numeric characters).
2. **Protocol - Positions 3 and 4 identify the requirements** for the interface regarding signaling and transmission (2 alpha characters).
3. **Impedance - Position 5 identifies the nominal reference** impedance that will terminate the channel for the purpose of evaluating transmission performance (1 alpha/numeric character).
4. **Delimiter #1 - Position 6 identifies the start of the** protocol option field if a protocol option code is assigned.
5. **Protocol Options - Positions 7, 8 and 9 identify** additional features (e.g., bit rate, bandwidth, etc...) on the protocol to be used. (3 alpha/numeric characters).
6. **Delimiter #2 - Position 10 identifies the start of the** Transmission Level Points (TLP) field if a TLP is assigned.

TR (cont)

7. Transmission Level - Positions 11 and 12 identify the TLPs from either the exchange carrier /service provider or customer end.

NOTE 1: Position 11 identifies the TLP transmit signal level at the EC/service provider when transmitting to the customer.

NOTE 2: Position 12 identifies the TLP receive signal level at the EC/service provider when receiving from the customer.

NOTE 3: If TLP is entered in one character position only (transmit or receive), a hyphen or the letter "O" is required as a field filler in the associated TLP character position.

NOTE 4: If TLPs are not to be coded, default levels found in Telcordia Technologies Technical Publications will apply and the TLP character positions will be left blank.

NOTE 2: If the protocol option field is not coded and the TLP is coded, a double delimiter #1 and #2 will be placed after character position five (5). In this case, delimiter #1 will be in character position six (6), and delimiter #2 will be in character position seven (7). The TLP will be left justified into character positions eight (8) and nine (9) accordingly.

VALID ENTRIES: NCI Code

NOTE 1: Valid NCI codes are outlined in Telcordia Technologies practice BR 795-403-1

DATA CHARACTERISTICS: 5 alpha/numeric characters minimum, 12 alpha/numeric characters maximum.

MUXLOC

MUXLOC - Multiplexing Location

Identifies the CLLI Code of the provider central office which provides multiplexing for a service riding a High Capacity service.

- **NOTE 1: The format and structure of this field is defined by ANSI** in document T1.253, Identification of Location Entities for the North American Telecommunications System. The CLLI Code consists of the following elements:
 1. **Geographical Code – Positions 1 through 4 describe** the designation for a single geographical locality within a state, province, territory, country, or distinct region of the world (e.g., municipality) (4 alpha characters).
 - 2. **Geopolitical Code – Positions 5 and 6 describe the** designation of a state or territory of the United States, a province or territory of Canada, another country having a national federal government, or a unique designation (2 alpha characters).
 - 3. **Network Site Code – Positions 7 and 8 describe the** designation of a site of an existing or proposed structure within a geographical location where there is a need to identify one or more telecommunications equipment entities, facility terminations, odal locations, or administrative operations (2 alpha or 2 numeric characters).

MUXLOC

4. Network Entity Code – Positions 9 through 11 describe the functional category of equipment or work center that is contained in a structure. Equipment categories, including central office switching and ancillary equipment or non-switching or access terminations, are associated with a building or network site for purposes of maintaining equipment inventories and for identifying facility and circuit terminations and nodal locations (3 alpha/numeric characters).

NOTE 2: Valid CLLI Codes are outlined in Telcordia Technologies practice BR 795-(100-186)-100.

USAGE: This field is conditional.

NOTE 1: Required when utilizing multiplexing services and the ACT field on the ASR Form is “N”, “C” or “T”, otherwise optional.

DATA CHARACTERISTICS: 8 or 11 alpha/numeric characters

EXAMPLES: S N F C C A 0 5 C G 0

SALI FORM

GENERAL

This guide describes the Service Address Location Information (SALI) Form entries. The SALI request must always be associated with an ASR which contains administrative and bill detail necessary for the provisioning of the request and a service specific form containing circuit information. The field entries contained within the SALI Form are populated by the customer.

The Service Address Location Information (SALI) Form is used when the customer is providing information regarding the service address.

The SALI Form is not used as a stand alone form. When used, it must be associated with one of the following service specific forms:

- FGA Request (with extensions)
- WAL Request
- Transport Request
- End User Special Access Request
- Ring Request

The SALI Form(s) may also be associated with the Multi-point Service Leg and Additional Ring Form.



MULTI-EC FORM

GENERAL

This guide describes the MULTI-EC Form entries which are used to order access services that traverse the territory of more than one provider.

This MULTI-EC Form must be used whenever an access service passes through more than one provider's territory. This form identifies the additional administrative and billing information for each provider.

The Access Service Coordination Exchange Company (ASC-EC) details must always be populated.

PART OF THE PROMISE

ASR VS LSR

ASR IS FOR ACCESS SERVICE

LSR IS FOR LOCAL SERVICE,
SUCH AS LOCAL NUMBER
PORTABILITY

ALL THE ANSWERS HERE!!

CONTRARY TO AS ADVERTISED THERE
WILL BE NO NEED TO LEARN TO SPEAK
QWEST OR DECODE STRANGE QWEST
DOCUMENTS, YOU SIMPLY NEED TO USE A

PLAIN ENGLISH,

EASILY UNDERSTOOD,

AND STRAIGHT FORWARD

ACCESS SERVICE REQUEST



SUMMARY



Questions?

***This is where you get to be
in control!***



Contact Information

Burnie E. Snoddy

Senior Telecommunications Consultant

KIESLING ASSOCIATES LLP

7780 Office Plaza Drive, Suite 184

West Des Moines, IA 50266-2337

Phone: (515) 223-0159

Fax: (515) 223-5429

Email: bsnoddy@kiesling.com



2009 ITA Bundling Breakout

Contact: KYLE STEFFEN

SpecSoft, Inc
2935 Pine Lake Rd Suite G
Lincoln, NE 68516
402.420.9977

SpecSoft, Inc
88341 565th Ave
Hartington, NE 68739
402.254.6864

Bundling

Bundling

Presented By:

Kyle Steffen, SpecSoft

Burnie Snoddy, Kiesling Associates

Sandee Buysee-Baker, Liberty Communications

Principles of Bundling

- Pure Bundling
 - Joint – sold together at one price – all or nothing
 - Leader – leader product is offered at a discount when purchased with non-leader products
- Mixed Bundling
 - Customer can purchase the bundle or separate products
 - Mixed-Leader – Leader strategy with option to purchase products separately

Goals of Bundling

- Easy Choices for Consumer
- Customer Retention / Service Retention
- Value Perception
- Incremental Pricing Effect
- Increased Sales of Premium Services
- Customer Satisfaction
- Company Perception
- Competitive Advantage

Implementation

- Define Goals and Design Bundles
- Train CSR's
- Sell Bundles
- Bill For Bundles
- Maintain Bundles
- Measure Bundles
- Watch Out For Pitfalls

Define Goals – Design Bundles

- Choose the Principles You Wish Target
- Considerations
 - Competitive Influences
 - Market Influences
 - Accounting Requirements
 - Regulatory Requirements
 - Taxing Requirements
 - Maintenance and Changes

Train CSR's

- Understand the Bundle Price Scheme
- Be Prepared For Customer Questions
- What is Included in Each Bundle
- Promotional Deals
- Applying the Bundle to the Customer
- How Much Information Should be Revealed to Customers

Sell Bundles

- Customers Who Already Qualify
- Customers Who Could Improve Their Service for Little or No Additional Expense
- Billing Inserts / Bill Messages
- Promotional Specials

Bill For Bundles

- Marketing Department and Billing Department Need to Communicate from the Beginning
- Ensure Accuracy in Construction and Assignment to Customer
- Presentation of Bundles on Billing Statement
- Again, Be Ready for Questions

Maintain Bundles

- Service Rate Changes
- Bundle Scheme Changes
- Customer Initiated Changes
- Eliminating a Bundle

Measure Bundles

- Are Goals Being Met?
- What is the Program Earning/Costing?
- Customer Reactions / Impressions?
- Other Business Information Uninterrupted
 - Auditors
 - Accountants
 - Regulators
 - Marketing

Watch Out for Pitfalls

- Difficult to Understand
- Sloppy / Shifting Pricing
- Over / Under Discounting
- Maintenance Problems
- Perception Problems
- Substitution Requests
- Regulatory Issues