

4901:1-7-21

**Resale.**(A) Resale provisioning

- (1) All local exchange carriers (LECs) must make all telecommunications services available for resale by any LEC and shall not contain unreasonable, discriminatory, or anti-competitive conditions, or limitations.
- (2) All incumbent local exchange carriers (ILECs) must make available for resale at wholesale rates any retail telecommunication services that the ILEC provides at retail to subscribers who are not telephone companies.
- (3) Each ILEC shall be required to provide nondiscriminatory, automated operational support systems. Such systems shall enable other LECs reselling the ILEC's retail telecommunications services to preorder and order service, installation, repair, and number assignment; monitor network status; and bill for local service. Such support systems shall include, but not be limited to:
  - (a) Preordering and ordering functionalities for processing customer service orders.
  - (b) Provisioning requirements to ensure electronic transmission of data to the LEC providing telecommunications services for resale, as well as order and service completion confirmation.
  - (c) Repair and maintenance requirements.
- (4) ILECs are required to provide branding of operator, call completion, or directory assistance services offered for resale.

(B) Resale of retail promotions

- (1) Promotions of recurring charges for retail services offered by an ILEC lasting more than ninety calendar days, as measured on a per customer basis in a twelve-month time frame, or a promotion of the comparable cash value offered by a ILEC shall be made available for resale at the wholesale rates.
- (2) Promotions of recurring charges for retail services offered by a competitive local exchange carrier (CLEC) lasting more than ninety calendar days, as measured on a per customer basis in a twelve-month time frame, or a promotion of the comparable cash value offered by a CLEC shall be made available for resale.

(C) Resale of contracts

- (1) All LECs must make available for resale all retail telecommunication service contracts. The contract is available for resale only in its entirety, and is available to similarly situated customers other than the same customer under

the ILEC contract.

- (2) ILECs must make these contracts available at the wholesale rate discussed in paragraph (E) of this rule.
- (3) ILECs may, subject to commission approval, place reasonable restrictions on the resale of contracts including the resale of residential services to business customers.

#### (D) Resale of lifeline

ILECs purchasing lifeline services for resale may only resell those services to qualifying lifeline customers and must pass on to the customer the full amount of the applicable lifeline discount. The ILEC purchasing lifeline services for resale is responsible for certification and validation of the eligibility of the lifeline customers it serves. The ILEC must sell lifeline service to that reseller at the wholesale rate established for basic local exchange service, less any lifeline discount for which the ILEC is eligible to be reimbursed by existing federal and/or state funding mechanisms.

#### (E) Resale pricing

- (1) ILEC's retail telecommunications services available for resale to any telephone company shall be priced on a wholesale basis. Wholesale prices shall be determined on the basis of the retail rates charged to customers for the telecommunications service under consideration, excluding the portions thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the ILEC.
- (2) The commission, at its discretion, may establish the wholesale rates utilizing either:
  - (a) Interim wholesale rates that are based on the best information available to the commission, about the ILEC avoided costs. In that case, the commission may establish a single discount percentage rate that shall be used to establish interim wholesale rates for each telecommunications service. Such interim rates may be subject to a true up consistent with principles outlined in paragraph (A)(4) of rule 4901:1-7-17 of the Administrative Code.
  - (b) Rates that are equal to the ILEC's existing retail rates for the telecommunications service, less avoided retail costs through the commission's review and approval of the ILEC's avoided cost study.
- (3) Avoided retail costs for large ILECs shall be those costs that will be avoided when an ILEC provides a telecommunications service for resale at wholesale rates to a requesting telephone company.

- (a) For the ILECs that are designated as class A companies pursuant to 47 C.F.R. 32.11, as effective in paragraph (A) of rule 4901:1-7-02 of the Administrative Code, except as provided in paragraph (E)(3)(d) of this rule, the avoided retail costs shall:
- (i) Include, as direct costs, the costs recorded in uniform system of accounts (USOA) account numbers 5301 (telecommunications uncollectibles) in proportion to the avoided direct expenses, 6611 (product management), 6612 (sales), 6613 (product advertising), 6621 (call completion services), 6622 (number services), and 6623 (customer services).
  - (ii) Include, as indirect costs, a portion of the costs recorded in USOA accounts 6121-6124 (general support expenses), 6711, 6712, 6721-6728 (corporate operations expenses).
  - (iii) Not include plant-specific expenses and plant nonspecific expenses other than general support expenses (6110-6116 and 6210-6565).
- (b) Costs included in accounts 6611-6613 and 6621-6623 described in paragraph (E)(3)(a)(i) of this rule, may be included in wholesale rates only to the extent that the ILEC proves to the commission that specific costs in these accounts will be incurred and are not avoidable with respect to the services sold at wholesale, or that specific costs in these accounts are not included in the retail prices of resold services.
- (c) Costs included in accounts 6110-6116 and 6210-6565 described in paragraph (E)(3)(a)(iii) of this rule, may be treated as avoided retail costs, and excluded from the retail rates, only to the extent that a party proves to the commission that specific costs in these accounts can reasonably be avoided when an ILEC provides a telecommunications service for resale to a requesting carrier.
- (d) For the ILECs that are designated as class B companies under 47 C.F.R. 32.11, as effective in paragraph (A) of rule 4901:1-7-02 of the Administrative Code, and that record information in summary accounts instead of specific USOA accounts, the entire relevant summary accounts may be used in lieu of specific USOA accounts listed in paragraphs (E)(3)(a) to (E)(3)(c) of this rule.
- (4) Avoided retail costs for small ILECs will be determined on a case-by-case basis.
- (5) An ILEC may, upon commission approval, set wholesale discounts that are not uniform provided the ILEC demonstrates to the commission that those rates are set on the basis of an appropriate avoided-cost study.

(6) The ILEC shall develop a two-pronged wholesale discount, one discount that applies when the reseller purchases operator services and directory assistance, and a second discount when these services are not purchased in their entirety.

(F) When an ILEC provides exchange services to a requesting carrier at wholesale rates for resale, the ILEC shall continue to assess the intrastate access charges provided in its intrastate tariffs upon the requesting carrier. The ILEC access charges assessed to the requesting carrier must be at the tariffed rate not at an avoided-cost discounted rate.

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**CERTIFIED ELECTRONICALLY**

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Certification

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Date

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