

M E M O R A N D U M

December 11, 1992

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TO : STEVE TRIBBLE, DIRECTOR, DIVISION RECORDS AND REPORTING
FROM : WALTER D'HAESELEER, DIRECTOR, DIVISION OF COMMUNICATIONS
RE : REVISION TO STAFF RECOMMENDATION ON ITEM 13 OF THE
DECEMBER 15, 1992 AGENDA CONFERENCE - DOCKET NO. 911185-
TL - REQUEST BY THE VOLUSIA COUNTY COUNCIL FOR EAS
BETWEEN ALL EXCHANGES WITHIN VOLUSIA COUNTY (SHELFER)

This is a revision to staff's recommendation on Item 13, in issue two (page 4) of Docket No. 911185-TL. In the recommendation filed December 3, 1993, staff recommended implementing the \$.25 plan on the New Smyrna Beach/Daytona Beach route simultaneously with the implementation of the other ordered \$.25 plan routes in this docket. In addition, staff recommended that the **OEAS (Optional Extended Area Service)** and **OELC (Optional Extended Local Calling)** optional plans be discontinued at the time the \$.25 plan is implemented. The recommendation should be revised to read as follows:

ISSUE 2: Should any alternative plan be offered on the New Smyrna Beach/Daytona Beach route?

RECOMMENDATION: Yes. Calls between New Smyrna Beach and Daytona Beach should be rated at \$.25 per call, regardless of call duration. These calls should be furnished on a seven-digit basis. NonLEC pay telephone providers should charge end users \$.25 as if the calls were local, and the providers will pay the standard measured usage rate to the LEC. Southern Bell should be ordered to implement this change simultaneously with the implementation of the other ordered \$.25 plan routes in this docket. In addition, the OEAS plan should be discontinued at the time the \$.25 plan is implemented. The OELC plan should be continued.

STAFF ANALYSIS: Staff did not adequately address the optional toll relief plans and the impact it will have on the customers when these plans are discontinued. Staff is specifically concerned with the OELC plan.

The **OEAS plan** is not a major issue in this case since its provisions are only available to **toll** calls between New Smyrna Beach and Daytona Beach and Daytona Beach to New Smyrna Beach. Once the \$.25 plan is implemented this route becomes **local**, and the discounts are no longer applicable. Historically, we have

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discontinued OEAS plans simultaneous with the implementation of flat rate EAS or the \$.25 plan. Staff believes that the majority of the subscribers will be better off under the \$.25 plan than they would be on the OEAS plan. The take rate for the OEAS plan from Daytona Beach to New Smyrna Beach is .04% (residential) and .26% (business) and from New Smyrna Beach to Daytona is .99% (residential) and 2.48% (business).

The **OELC plan** is important to its subscribers because it allows them to have two-way unlimited calling to Daytona Beach or New Smyrna Beach for a monthly flat rate. This means a subscriber in New Smyrna Beach can pay a flat rate and have unlimited calling to Daytona Beach and Daytona Beach has unlimited calling back to him/her. (This is like the plan that used to exist on the Bonita Springs routes.) OELC is available to both residential, business and PBX customers. The rates for this optional service are listed below:

OELC RATE SCHEDULE

	Daytona Beach Monthly Rates	New Smyrna Beach Monthly Rates
Residence	\$ 7.52	\$ 8.27
Business	17.96	19.91
PBX	39.51	43.80

The take rate on the New Smyrna to Daytona Beach route is 17.21% (residential) and 18.98% (business), which is high for an optional plan. The take rate in the reverse direction is only .99% (residential) and 1.32% (business).

Historically, in areas where flat rate EAS or the \$.25 plan has been implemented, optional plans are discontinued (i.e. OEAS and TollPac), except for options that provide residential, flat rate unlimited calling between two specific exchanges (i.e. "premium option" in the EOAS plan). Staff believes that the customers who subscribed to these optional plans were better off under EAS or the \$.25 plan with exception to the flat rated option. The "flat rated option" was retained for residences because under certain calling conditions where a customer makes numerous calls, the "flat rated option" would be cheaper. For example, if a customer in New Smyrna Beach made more than 34 calls to Daytona Beach, he/she has already surpassed the monthly rate for having the "flat rated option" and would be better off keeping the optional service.

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In the OELC plan, however, it allows unlimited two-way calling for residential, business and PBX customers for a flat monthly rate. Staff would like to amend its original recommendation on this service, which was to eliminate the OELC plan totally. Staff recommends that, with the implementation of the \$.25 plan between New Smyrna Beach and Daytona Beach, that the OELC plan be continued as a service option.

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