**PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399-0860**

 **M E M O R A N D U M**

 **August 18, 2015**

**TO:** DIRECTOR OF RECORDS AND REPORTING (TRIBBLE)

**FROM:** DIVISION OF APPEALS (BELLAK)

 DIVISION OF COMMUNICATIONS (CHEEK)

 DIVISION OF RESEARCH AND REGULATORY REVIEW (MAHONEY)

**RE:** DOCKET NO.: 920824-TI - PETITION FOR AMENDMENT OF RULE 25-4.115(3)(A), F.A.C., RE: CHARGES TO HANDICAPPED PERSONS FOR INTRASTATE CALLS TO DIRECTORY ASSISTANCE, BY AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

**AGENDA:** FEBRUARY 16, 1992 - CONTROVERSIAL - PARTIES MAY NOT PARTICIPATE

**PANEL:** FULL COMMISSION

**RULE STATUS:** PROPOSAL MAY BE DEFERRED

 FILE NAME: 920824.RCM

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 **CASE BACKGROUND**

 On April 1, 1992, in Docket Number 920307-TI, AT&T Communications of the Southern States, Inc. (ATT-C) filed revisions to its General Customer Services Tariff to (1) make text changes to reflect the correct billing of discounts for hearing or speech impaired persons, and (2) place limits on exemptions for inquires to Directory Assistance by handicapped persons. As part of that filing, ATT-C requested waiver of Rule 25-4.115(3)(a) Florida Administrative Code (F.A.C.) which provides that there be no charge for interexchange Directory Assistance calls from lines or trunks serving handicapped persons. Specifically, Rule 25-4.115(3)(a), F.A.C. states:

 (3) Charges for intrastate calls to directory assistance outside the callers's HNPA shall be at rates prescribed in the general services tariff of the interexchange companies and shall be subject to the following:

 (a) There shall be no charge for calls from lines
or trunks serving handicapped persons.

 The Company's tariff revision provided a limit of fifty (50) exemptions per billing cycle for calls to Directory Assistance service by handicapped persons

 As support of its requested tariff revision, and for its request for waiver of Rule 25-4.115(3)(a), ATT-C referenced abuse of the Directory Assistance exemption by a small number of customers who were employed by businesses which hire handicapped persons to make Directory Assistance inquiries from their homes for list-making purposes. By paying these handicapped individuals a lesser amount than the tariffed Directory Assistance charge per inquiry, these businesses reduce the cost they would incur if they themselves were to make the call.

 ATT-C believes that 50 free Directory Assistance calls is more than sufficient. The average number of Directory Assistance inquires made by ATT-C's general customer population is less than 1 per month. In Docket Number 920307-TI, ATT-C provided Information on Directory Assistance inquiries by handicapped individuals which illustrates the number of handicapped initiated Directory Assistance inquiries made during March 1991 and June 1991. The greatest number of inquiries were between 0 and 6, while no individual made more than 25 Directory Assistance calls in either month.

 On April 23, 1992, by Order Number PSC-92-0392-FOF-TI, the Commission approved ATT-C's request to waive Rule 25-4.115(3)(a) and cap the number of Directory Assistance (DA) inquires that can be made without charge by handicapped persons. The Commission found merit in ATT-C's position that subcontracting handicapped individuals to perform Directory Assistance calls was not the intent of the exemption and agreed that such practice is a clear abuse of the original intent of Rule 25-4.115(3)(a). Because the abuse problem may be widespread, staff recommended and the Commission approved that the waiver be effective for all carriers, LECs and IXCs.

 On August 17, 1992, ATT-C filed a petition in compliance with Order Number PSC-92-0392-FOF-TI to amend Rule 25-4.115(3)(a), F.A.C. ATT-C suggested in its petition that the Commission formally amend Rule 25-4.115(3)(a) by modifying the provisions of Rule 25-4.115(3)(a) to read as follows:

 (3) Charges for intrastate calls to directory assistance outside the callers's HNPA shall be at rates prescribed in the general services tariff of the interexchange companies and shall be subject to the following:

 (a) There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving handicapped persons. All inquiries over fifty during a given billing cycle may be charged the interexchange company's prevailing tariffed rate.

 ATT-C requested in its petition that the Commission amend Rule 25-4.115(3)(a) by adopting the proposed modification underlined above. Such an amendment will formalize the policy set forth by the Commission in Order Number PSC-92-0392-FOF-TI by curtailing the abuse of the exemption. It will also preserve the original intent of the handicapped exemption by continuing to provide a generous allowance of Directory Assistance charge exemption for handicapped customers. ATT-C's petition is the basis for the requested rule amendment.

 **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission propose revisions to Rule 25-4.115, F.A.C., limiting the number of free directory assistance calls per billing cycle for lines or trunks serving individuals with disabilities to 50 calls per billing cycle?

**RECOMMENDATION:** Yes, the rule should be amended to limit free directory assistance calls for disabled persons to 50 calls per billing cycle.

**STAFF ANALYSIS:** This is the only reasonable method identified to curb the abuse of the subcontracting of this privilege of disabled person by businesses. In granting waivers from the current rule to all carriers, LEC's and IXC's, the Commission already found that such subcontracting may be a widespread abuse. 92 FPSC 5:423, 424‑5. Permanent curtailment of the abuse as necessary for the protection of ratepayers requires that the Commission propose the suggested revisions.

**ISSUE 2:** If no hearing is requested or comments filed should the amended rule be filed with the Secretary of State for adoption and the docket closed?

**RECOMMENDATION:** Yes.

RCB

Attachments

 **M E M O R A N D U M**

 January 21, 1993

TO: DIVISION OF APPEALS (BALLAK)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (MAHONEY)

SUBJECT: ECONOMIC IMPACT STATEMENT FOR DOCKET NO. 920824; PROPOSED

 REVISIONS TO RULE 25-4.115, FAC, DIRECTORY ASSISTANCE

SUMMARY OF THE RULE

 The rule in its present form provides for the provision of directory assistance service by local and interexchange telephone companies to their subscribers, including special provisions relating to subscribers with disabilities. The rule states that the conditions applying to the provision of directory assistance shall be stated in the companies' tariffs and shall include charges; number of telephone numbers provided per call; that charges for calls within the local calling area and the Home Numbering Plan Area (HNPA) shall be the same; the number of calls per billing month per line or trunk for which no charge will apply; and, in cases of calls for numbers outside the subscriber's HNPA, the charge shall be at rates prescribed in the tariff of the interexchange company. No charge shall apply for calls to directory assistance originating from a pay telephone. Lines or trunks identified as serving individuals with disabilities will allow unlimited free calls to directory assistance.

 The revisions to the rule cap free directory assistance calls from lines and trunks serving individuals with disabilities at fifty for local and fifty for interexchange per billing period.

DIRECT COSTS TO THE AGENCY AND OTHER STATE OR LOCAL GOVERNMENT ENTITIES

 No quantifiable direct additional costs to the agency are anticipated as a result of these rule revisions. Additional required workload will consist only of the normal processing of the required changed tariff sheets.

 There will be no direct effects on costs or revenues to any other state or local government entity as a result of the rule revisions.

COSTS AND BENEFITS TO THOSE PARTIES DIRECTLY AFFECTED BY THE RULE

 Twenty-nine companies responded to a staff data request soliciting information upon which to base the economic impact statement. Twenty four of the respondents projected minimal or no economic impact due to the rule revisions. Five of the respondents estimated an economic impact as shown below:

|  |  |  |
| --- | --- | --- |
| Company | Expense | Saving |
| Phone One | $ 500 |  |
| United Telephone | 78,500 |  |
| Quincy Telephone | 1,250 |  |
| Southland Telephone | 200 |  |
| Southern Bell |  | $ 47,402 |

 One additional company, AT&T, although they will incur no expense as a direct result of the rule changes, had previously expended $100,000 in order to provide directory assistance as proposed in the rule revisions. This is in compliance with Commission Order No. PSC 920392 FOFTI, Docket No. 920307 TI, which states in part:

 We find merit in ATT-C's position that "subcontracting" handicapped individuals to perform DA inquiries was not the intent of the exemption. A waiver will stop the "subcontracting" of the handicapped individuals' privileges by businesses. In order to not delay curtailment of the abuse, we approve a waiver of Rule 25‑4.115(3)(a), pursuant to the authority to waive Commission rules provided for in Rule 25-4.002(2) and (3), Florida Administrative Code. Because the abuse problem is widespread, the waiver is effective for all carriers, LECs and IXCs. . . . 92 FPSC 5:423, 424‑425.

AT&T presently has approved tariffs on file. At this time, no other company has filed a tariff as provided for in the waiver.

 Mention is also made in the record of the tariff filing that, "the National Consumer Advisory Panel on Disability Issues. . . . endorsed the proposal."

REASONABLE ALTERNATIVE METHODS

 No reasonable alternative method of achieving the purpose of the proposed rule revisions has been identified. It has been suggested that an alternative number of free calls might be appropriate; however, both industry staff and the utilities feel fifty calls per month is a valid limit.

IMPACT ON SMALL BUSINESSES

 Five of the twenty-nine responding utilities qualify as small businesses as defined in Section 288.703(1), Florida Statutes (1991). Three of these five estimated no economic impact to their business as a direct result of these revisions. One company, Phone One, estimated a cost of $500 to meet the requirements of the rule revisions. One company, Telnet, although it could not quantify the benefit of the rule revisions, nevertheless stated the revisions would be a definite benefit to the company.

IMPACT ON COMPETITION

 No impact on competition is foreseen. As each company will be required to charge for all calls exceeding fifty under the conditions of the revisions, there will be no effect on the competitive stance of any company.

IMPACT ON EMPLOYMENT

 No appreciable impact on Commission employment is foreseen. The initial tariff filings by the utilities can be absorbed within existing Commission work schedules. Preparation of the tariff filings by the utilities should require minimal effort and be handled by existing administrative or consulting personnel. METHODOLOGY

 Preliminary discussions were held with staff of the Division of Appeals and the Division of Communications. A data request was sent to the local exchange and interexchange telephone companies as well as other interested parties. Extensive follow-up discussions were held with staff of the Division of Communications and AT&T relative to Docket 920307-TI and the underlying rationale and impact of this docket.

PEM:jdh/e-dirast

25-4.115 Directory Assistance

 (1) Directory assistance service provided by any telephone company shall be subject to the following:

 (a) Charges for directory assistance shall be reflected in tariffs filed with the Commission and shall apply to the end-user.

 (b) The tariff shall state the number of telephone numbers that may be requested by a customer per directory assistance call.

 (2) Charges for calls within a local calling area or within a customer's Home Numbering Plan Area (HNPA) shall be at rates prescribed in the general service tariff of the local exchange company originating the call and shall be subject to the following:

 (a) There shall be no charge for up to fifty calls per billing cycle ~~calls~~ from lines or trunks serving individuals with disabilities ~~handicapped persons~~. The local exchange carrier shall charge its prevailing tariff rates for every call in excess of 50 within a billing cycle.

 (b) The same charge shall apply for calls within a local calling area and calls within an HNPA.

 (c) The tariff shall state the number of calls per billing month per individual line or trunk to the number designated for local directory assistance (i.e., 411, 311 or 611) for which no charges will apply. The local exchange company shall charge for each local directory assistance call in excess of this allowance. The charge shall not apply for calls from pay stations.

 (d) The local exchange company shall apply the charge for each call to the number designated for long distance directory assistance within the customer's HNPA (i.e., 1 + (904) 555-1212).

 (3) Charges for intrastate calls to directory assistance outside of the caller's HNPA shall be at rates prescribed in the general services tariff of the interexchange companies and shall be subject to the following:

 (a) There shall be no charge for up to fifty calls per billing cycle ~~calls~~ from lines or trunks serving individuals with disabilities ~~handicapped persons~~. The interexchange carrier shall charge its prevailing tariff rates for every call in excess of 50 within a billing cycle.

Specific Authority: 350.127, F.S.

Law Implemented: 364.03, 364.04, F.S.

History: New 6/12/86, Amended 6/4/90.