

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

July 22, 1993

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [CHEEK] *MX*
DIVISION OF LEGAL SERVICES [KURLIN] *pa* *TL*

RE : DOCKET NO. 930545-TL - REQUEST FOR APPROVAL OF PROPOSED
TARIFF TO INTRODUCE DIRECTORY ASSISTANCE CALL COMPLETION
SERVICE BY BELLSOUTH TELECOMMUNICATIONS INC. d/b/a
SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY (T-93-286
FILED MAY 26, 1993)

AGENDA: JULY 20, 1993 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: 60-DAY STATUTORY PERIOD EXPIRES JULY 24, 1993
COMPANY WAIVED 60-DAY STATUTORY REQUIREMENT
COMPANY REQUESTED EFFECTIVE DATE: AUGUST 9, 1993

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\930242.RCM

CASE BACKGROUND

On May 26, 1993, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell) proposed revisions to its General Subscribers Services Tariff to introduce Directory Assistance Call Completion (DACC). DACC allows a customer to have a call automatically completed to the number for which the Directory Assistance Listing was requested. There is a surcharge of \$.30 per call. The DACC surcharge is in addition to any applicable Directory Assistance and intraLATA local or toll charges. There is no call allowance for DACC. GTEFL Florida Incorporated (GTEFL) offers Directory Connect Plus which is similar to DACC but the charge for the service is \$.35. This service was recently approved at the June 8, 1993 Agenda Conference (Docket No. 930242-TL).

AT&T Communications of the Southern States, Inc. (ATT-C) provides a similar service for interLATA calls called DIRECTORY Link Service. This service permits a customer to complete a long distance calling card or operator assisted call to the called station telephone number received from intrastate directory assistance without hanging up the receiver and originating a separate call. ATT-C's DIRECTORY Link service is offered when a

DOCUMENT NUMBER-DATE

07904 JUL 22 83

Docket No. 930545-TL
July 22, 1993

To place a DACC call the customer first dials the code for Directory Assistance (e.g., 411). The customer then gives the directory assistance operator his request. The directory assistance operator retrieves the number in the directory assistance data base and sends the customer to the audio response system. If the call is eligible for call completion, the audio system is prompted to make an offer to the customer that the directory assistance call requested can be completed for a \$.30 surcharge.

If the customer wants to accept the offer, he will touch "ONE" and the number will automatically be completed. If the calling and the called number are not eligible for call completion, the audio system will quote the number and the call completion offer will never be given to the customer.

After the subscriber requests call completion, a Directory Assistance record is produced for billing purposes. For a local call to be completed using DACC, the end user will be charged \$.55 (\$.25 for the call to Directory Assistance and \$.30 for the completion). As stated previously, intraLATA toll DACC calls will not be completed at this time.

Southern Bell will issue a credit if an incorrect number is provided and a call is completed to that number. For example, after dialing 411, a customer requests the number for "John Smith" and then receives the number for "John Smythe", presses ONE and is connected to the John Smythe number. After realizing that he was connected to the wrong number, the customer dials 411 and informs the DA operator that he was connected to the wrong number. The DA Operator will issue credit for both the Directory Assistance call and DACC call completion charges.

DACC Service will not be provided to the following Services:

1. Uniserv DA number requests,
2. Non-Bell exchange carrier customers,
3. IntraLATA and InterLATA long distance calls,
4. Any Special Line Class Code,
5. 976 DA number requests,
6. Mobile Telephone numbers,
7. Alternatively billed call (e.g., Collect, Calling Card, or Billed to Third Number),
8. Any PBX type customer who requires real time notification of charges (i.e., HOBIC),
9. Calls from tandems where the end user cannot be identified,
10. Calls from Southern Bell and COCOT Coin Stations

Docket No. 930545-TL
July 22, 1993

Although it is technically possible to provide this service from a Southern Bell pay telephone, the Company is not proposing to do so at this time because the service will not be available to non-LEC pay telephones. GTEFL delayed implementation of its offering from its pay telephones until the service is available to all pay telephone stations when alternative billing becomes available.

Southern Bell believes that alternate billing and operator assisted alternate billing will be available at a later date. The alternate billing will allow the end user to bill the call via a credit card or third party billing arrangement. As with alternate billing, operator assisted alternate billing gives the end user the ability to bill the call, but with the assistance of an operator. Alternate billing is not available for DACC at this time, however, the Company intends to propose a tariff some time in the future. Southern Bell has agreed to work with the non-Southern Bell pay telephones owners if any problems occur regarding the implementation of the alternative billing of the service.

In addition, with intraLATA presubscription, Southern Bell could still offer DACC. The end user would choose their interexchange carrier (IXC) and Southern Bell could have a billing arrangement with that IXC.

COST SUPPORT

The incremental unit cost to provide DACC is \$.21 per call. The cost of providing DACC includes hardware cost, software expenses, maintenance, and additional trunk usage. Southern Bell used an incremental cost study in developing the cost for DACC. The incremental costs were developed by identifying the additional hardware and software in Operator Service (OSS) tandem offices necessary to allow for completion of the call. Costs were also developed for the additional hardware and software associated with the call screening processor (CSP).

Incremental costs are those additional costs incurred as a result of changing prices or, as in this case, introducing a new service. Prices for discretionary services should be set at a level which at least covers the direct costs incurred, therefore, incremental cost methodology provides the proper test for pricing decisions.

Docket No. 930545-TL
July 22, 1993

Although the forecasted demand for DACC was derived based upon existing Directory Assistance call volumes, Florida is the first state in which a BellSouth company has filed a DACC tariff. Southern Bell is aware that other tariffs for services similar to DACC have been approved in Georgia, Louisiana, and Tennessee. There are tariffs pending in Kentucky and South Carolina. Staff believes that the Southern Bell forecast appears to be consistent with the call volumes estimated in GTEFL's Directory Connect Plus Service proposal.

SUMMARY

Staff believes that DACC is an added convenience to customers provided by Southern Bell. DACC is a complementary product offering. The service is viewed as an expansion of Directory Assistance service which adds time-savings for the customer. DACC will eliminate frustration for customers who hurriedly call Directory Assistance and do not have the means to record the telephone number. Therefore, based on the information presented in this recommendation, staff recommends that the tariff be approved on the basis submitted. The effective date of the tariff should be August 9, 1993.

ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved, this tariff should become effective on August 9, 1993. If a timely protest is filed, this tariff should remain in effect with any increase in revenue held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed.

930242.MHC