

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of)	DOCKET NO. 930948-TL
tariff filing to eliminate time-)	
of-day discounts for originating)	
Feature Group D (FGD) switched)	
access by BELLSOUTH)	
TELECOMMUNICATIONS, INC. d/b/a)	
SOUTHERN BELL TELEPHONE AND)	
TELEGRAPH COMPANY.)	
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In Re: Request for approval of)	DOCKET NO. 930949-TL
tariff filing to revise Common)	ORDER NO. PSC-93-1706-FOF-TL
Carrier Line Access to mirror)	ISSUED: November 29, 1993
current interstate rate)	
application for Carrier Common)	
Line on 700, 800, and 900 Access)	
Services by BELLSOUTH)	
TELECOMMUNICATIONS, INC. d/b/a)	
SOUTHERN BELL TELEPHONE AND)	
TELEGRAPH COMPANY.)	

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING TARIFF FILINGS

BY THE COMMISSION:

I. Time of Day Discounts

A. Background

One of the switched access pricing requirements that the AT&T antitrust consent decree mandated was that Bell Operating Companies' (BOCs) charges for transport traffic were to be "equal, per unit of traffic delivered or received, for all IXCs." The "equal charge" requirement was put into place to promote IXC competition by keeping AT&T from receiving deeply discounted access rates because of its much higher traffic volume. Basically, all IXCs were to pay the same rate (given equal mileage) whether the call went through a tandem office or via a direct trunk.

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However, in its Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 91-213, released on October 16, 1992, the Federal Communications Commission (FCC), found that the "equal charge" regime had "significant negative implications for both efficient use of the network and the possibility of local access competition." The FCC initiated a two-year interim cost-based rate structure for LEC transport charges.

Under the interim rate structure for interstate access, the FCC mandated the LECs to "break-up" the transport element and charge distance-sensitive rates for tandem-switched transport, and flat-rates for direct-trunked transport. Unlike the "equal charge per minute" rate structure, the interim rate structure will allow the IXCs to decide, based on economics and traffic volumes, whether tandem-switched or direct-trunked transport is more feasible. To the extent direct-trunking is used in lieu of tandem switched transport, or vice-versa, the intrastate portion of these trunks can be affected due to the separations process.

B. Southern Bell's Tariff Filing

In preparation for this restructure of Local Transport, Southern Bell proposes to eliminate time-of-day discounts on all Feature Group D originating access minutes. Currently, under the "equal charge per unit" rate structure, time-of day discounts apply to all switched traffic elements on the originating end, whether the facilities are switched or dedicated. These discounts allow an IXC to save 35-60% on originating access minutes rates depending on the time of day that the call is made. Under the FCC's interim structure, however, tandem switched transport will remain usage sensitive while direct-trunked transport will be available at a flat monthly rate based on the capacity ordered by the Interexchange Carrier (IXC). That is, while a time-of-day discount could still apply to tandem switched transport due to its usage sensitive rate, direct-trunked transport would be a flat-rated element. That is, a time-of-day discount could not apply to a flat-rate element (direct-trunked) but could apply to a usage sensitive element (tandem switched). Thus, Southern Bell proposes to eliminate time-of-day discounts for equity reasons.

To preserve revenue neutrality, Southern Bell proposes to lower switched access rates by the exact amount of its annual revenue gain from eliminating time-of-day discounts. Essentially, switched access rates to the IXCs will be lowered for day usage and

raised for night usage. While this could impact an IXC, depending on its mix of day versus night traffic, Sprint, FIXCA, AT&T, LDDS, and MCI support the filing.

Upon review, we find the filing to be appropriate and shall approve the tariff.

II. Carrier Common Line

The Local Transport Restructure for interstate access mandated by CC Docket No. 91-213 has caused BellSouth d/b/a (Southern Bell in Florida) to change its access rate structure for each of the nine states in its territory. Southern Bell proposes to revise Section E3, of its Intrastate Access Tariff (Carrier Common Line (CCL) Access) to mirror the rate structure for CCL on 700, 800, and 900 Access services in its interstate tariff.

In the FCC's Memorandum and Opinion Order, dated October 2, 1987, LECs were mandated to charge terminating CCL rates to both the originating and terminating CCL on 700, 800, and 900 services. Pursuant to the 1987 Order, IXCs that use HICAP or database services (service bypass) which do not require a terminating charge to be paid to a LEC, are charged a terminating CCL rate for both originating and terminating CCL. This is to compensate the LECs for only receiving one CCL charge when the IXC bypassed the LEC. If an IXC originates and terminates a call into a switched access service, however, then the LEC charges the IXC an originating and terminating CCL. It is only when the IXC bypasses the LEC on one end that the terminating CCL applies to both the originating and terminating CCL.

By having its intrastate rate structure mirror the interstate rate structure for 700, 800, and 900 Access services, SBT will minimize the rate structure disparity between the jurisdictions, and make the Company's Carrier Access Billing System (CABS) consistent between all states in which it operates.

Under its current intrastate tariff, the Company assesses an originating and terminating CCL charge for 700, 800, and 900 Access Services minutes-of-use. An IXC customer is responsible for reporting its 700, 800, and 900 intrastate and interstate traffic to the Company. To mirror the rate structure in its interstate filing, the Company proposes to assess the terminating CCL rate to both the originating and terminating CCL on 700, 800, and 900 Access Services traffic. An IXC's access charges for Message Toll

Services (MTS) will still reflect an originating and terminating CCL charge, albeit a lesser one due to a reduced terminating charge.

Under the current intrastate rate structure for a 700, 800, or 900 Access Services customer, the combined originating and terminating CCL charge is \$.05633. For the same customer, under the proposed rate structure, the charge will be \$.05854 - which represents the terminating charge times two (\$.02927 x 2). Thus, even with the proposed reduction in the terminating CCL rate, the proposed rate structure will increase charges by \$.00221 for the 700, 800, and 900 Access services.

The current intrastate access charge rate structure for MTS will remain the same under the Company's proposal. The MTS rate structure includes an originating and terminating CCL charge. The access charges applicable to MTS, however, will decline by \$.00106 due to a proposed reduction in the terminating CCL rate. Although the decline in the access charges applicable to MTS (\$.00106) is less than the increase in the 700, 800, and 900 Access Services rate (\$.00221), Southern Bell maintains revenue neutrality in this filing due to the much greater amount of MTS switched access minutes-of-use.

Upon review, we shall approve the tariff filing which is supported by the IXCs. It appears to benefit both Southern Bell (by increased efficiency in the use of its carrier access billing system resulting from jurisdictional consistencies) and the IXCs (which will receive lower access charges for MTS in excess of the increased charges for 700, 800, and 900 switched access services).

Therefore, it is

ORDERED by the Florida Public Service Commission that Southern Bell's tariff filing to eliminate time-of-day discounts for originating Feature Group D switched access is hereby approved with an effective date of November 15, 1993 for Southern Bell. Time of day discounts will be eliminated for the nine independent companies who concur in Bell's tariff on January 1, 1994. It is further

ORDERED that Southern Bell's tariff filing to charge a reduced terminating CCL rate for both the originating and terminating CCL on 700, 800, and 900 Access services is hereby approved with an effective date of November 15, 1993. It is further

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ORDERED that if this Order is timely protested as set forth below, the tariffs shall remain in effect with any increase in revenue held subject to refund pending resolution of the protest. If no timely protest is filed, these dockets shall be closed.

By ORDER of the Florida Public Service Commission this 29th day of November, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This

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petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 20, 1993.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.