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November 6, 1995

IN REPLY REFER TO:

Tallahassee

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Number Portability; Docket No. 95-17-TP

Dear Ms. Bayo:

Enclosed for filing in the above-styled docket are the original and fifteen (15) copies of Joint Brief and Posthearing Statement of Issues and Positions of United Telephone Company of Florida and Central Telephone Company.


We are also submitting the Joint Brief on a 3.5" high-density diskette generated on a DOS computer in WordPerfect 5.1 format.

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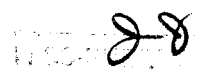
Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,


J. Jeffry Wahlen

cc: All Parties of Record
Enclosure
jjw\utd\950737.byo



DOCUMENT NUMBER-DATE

10937 NOV-6 95

FDSD-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into temporary)
local telephone number portability)
solution to implement competition in)
local exchange telephone markets)
_____)

DOCKET NO. 950737-TP
FILED: 11/6/95

**JOINT BRIEF AND POSTHEARING STATEMENT
OF ISSUES AND POSITIONS OF
UNITED TELEPHONE COMPANY OF FLORIDA AND
CENTRAL TELEPHONE COMPANY OF FLORIDA**

Pursuant to Order No. PSC-95-0896-PCO-TP and Rule 25-22.056, Florida Administrative Code, United Telephone Company of Florida ("United") and Central Telephone Company of Florida ("Centel") (collectively the "Companies") file this Joint Brief and Posthearing Statement of Issues and Positions.

I.

INTRODUCTION

A hearing was held in this docket on October 20, 1995. The Companies presented the prepared direct testimony of Mr. F. Ben Poag, which was admitted into the record at Tr. 164. While Mr. Poag did not sponsor any exhibits to his direct testimony, other parties identified exhibits 4, 14 and 15 (Staff) during his cross-examination. Each of these exhibits was admitted into the record. [Tr. 48, 198] Exhibit No. 15 (Con-2), which was offered by Staff, contains proprietary confidential business information and is covered by the Companies' requests for confidential classification, dated October 19 and 20, 1995.

DOCUMENT NUMBER-DATE

10937 NOV-6 8

FPSC-RECORDS/REPORTING

II.

BASIC POSITION

* The Commission should approve a \$1.25 recurring monthly rate for the telephone number and first path, a \$.50 recurring monthly rate for each additional path associated with the same number, and a \$10.00 non-recurring service order charge.

III.

BRIEF

As a result of the stipulation in this docket, the only issues remaining for resolution are the costs of remote call forwarding for temporary number portability ("RCF") [Issue 4], the pricing of RCF for temporary number portability [Issue 5], and, to the extent they are relevant, the advantages and disadvantages of RCF for temporary number portability. The Companies propose a price of \$1.25 per month for the first path, \$.50 per month for each additional path and a non-recurring service charge of \$10.00. [Tr. 171] These recurring charges are sufficient to cover the associated total service long run incremental costs and provide a contribution to shared costs. [Tr. 171] The non-recurring service charge is reasonable relative to the Companies' standard current non-recurring service order charge. [Tr. 170] Insofar as the parties have stipulated to RCF as a temporary solution to the number portability problem, the advantages and disadvantages are not relevant for pricing or any other purpose in this docket. [Tr. 187]

With respect to pricing, it is critical that the prices charged for RCF cover both the direct incremental cost and make a contribution to shared costs. [Poag, Tr. 167-168]. These prices should be paid by the ALECs, and should not be assessed against the entire subscriber base. [Tr. 187]. Shared costs include costs associated with operating system software, billing and collections, and account maintenance. [Tr. 167, 171]. As noted by Mr. Poag, "Any telecommunications firm that is only covering incremental cost [will] soon be out of business." [Tr. 168].

Importantly, there was no testimony of record rebutting the proposition that firms only covering incremental cost will soon be out of business. There are no overriding social goals that justify ignoring or abandoning this fundamental economic principle. Accordingly, the Commission determined price for RCF as an interim number portability solution must be higher than incremental cost.

The prices proposed by the Companies are reasonable, will not impede residential customer choice and will not otherwise impede competition. The RCF prices proposed by the Companies are well below the current tariffed RCF rate for United of \$17.60. [Tr. 170] They are also below the RCF price proposed by New York Telephone of \$4.00 per residence line and \$8.00 per business line. [Tr. 227] The Time Warner proposal of \$1.00 per number ported with two paths is too low because it does not provide a contribution to cover shared costs. [Tr. 173, 175]. The Companies' pricing proposal for RCF as an interim number portability solution is just right, i.e., neither too high, nor too low. The Commission should adopt the Companies' proposal.

IV.

ISSUES AND POSITIONS

ISSUE 1: What is the definition of temporary number portability pursuant to Section 364.16(4), Florida Statutes?

*POSITION: See Stipulation filed with Commission on August 31, 1995 and approved on September 12, 1995.

ISSUE 2: What technical solutions will be available by January 1, 1996, to provide temporary number portability?

*POSITION: See Stipulation filed with Commission on August 31, 1995 and approved on September 12, 1995.

ISSUE 3: What are the advantages and disadvantages of each solution identified in Issue 2?

*POSITION: Insofar as the parties have stipulated to RCF as an interim number portability solution, the pros and cons of RCF for that purpose are not relevant.

ANALYSIS: As noted by Mr. Poag, the list of advantages and disadvantages of RCF for temporary number portability is not relevant to this case. [Tr. 187]. The stipulation recognizes that RCF is a "temporary service provider number portability mechanism that can be implemented in most LEC central offices at the present time," but no other presently viable options were identified in the stipulation or at the hearing. In the absence of another presently viable alternative, the pros and cons of RCF are not relevant in this docket.

Even if the pros and cons are relevant for some purpose in this docket, this list of cons contained in Exhibit 7 is not correct. A complete explanation of the problems with this list is contained in the transcript at pages 188 to 193. A summary is listed below:

1. Disadvantages 2 and 12 are essentially the same, so one or the other is redundant. [Tr. 186]. Disadvantage 2 should be deleted for that reason. [Id.]
2. It is erroneous to say that the automatic call back feature is disabled because it is not. [Id.] The Companies have tested this feature on RCF for temporary number portability and it works. [Id.]
3. The call set up delivery stated in number 3 is overstated. [Id.] The Companies have performed tests and concluded that the additional delay is insignificant. [Tr. 188-189].
4. While there may be a capacity issue for DMS 100 switch types, the disadvantage listed in number 4 is not a problem generally applicable to all switches.
5. Disadvantage nos. 5 and 8 both address additional trunking, so one of them is redundant and should be deleted. [Tr. 190].

6. Disadvantage nos. 6 and 11 are essentially the same. Both address call routing, so one is redundant and should be deleted. [Tr. 190].
7. Disadvantage no. 7 is not a disadvantage. There is nothing secret about the actual network number. The ALEC can disclose it to the customers and thereby eliminate any "disadvantage" that may be present. [Tr. 190].

Even if all 13 disadvantages listed on Exhibit 7 are true, the price for RCF as an interim number portability solution should not be reduced below the prices proposed by the Companies. None of these disadvantages significantly impairs the value of RCF as an interim number portability solution. The prices proposed by the Company are fair and reasonable. If they are much lower, they will not cover shared costs, and therefore would be too low. The Commission should disregard the pros and cons of RCF and adopt the pricing proposal made by the Companies.

ISSUE 4: What costs are associated with providing each solution identified in Issue 2?

*POSITION: In general, there are recurring and non-recurring costs. The specific costs are proprietary confidential business information. The recurring costs have been filed with the Division of Records and Reporting pursuant to Section 364.183, F.S., and Rule 25-22.006, F.A.C.

ANALYSIS: The recurring costs for RCF as an interim number portability solution are shown on Exhibit 15 (Con-2) and are discussed in the transcript of the deposition of Mr. Poag (Ex. 4). As explained by Mr. Poag in his deposition, all of the cost elements included in the cost study performed by the Companies in this case are proper and the costs are reasonable. For the reasons explained in the deposition of Mr. Poag, the Commission should approve the costs submitted by the Companies and entered into the record as Exhibit 15 (Con-2).

ISSUE 5: How should the costs identified in Issue 4 be recovered?

*POSITION: The Commission should approve a \$1.25 recurring monthly rate for the telephone number and first path, a second \$.50 recurring monthly rate for each additional path associated with the same number, and a \$10.00 non-recurring service order charge.

ANALYSIS: The price structure proposed by the Companies is consistent with the stipulation. The Commission should adopt the Companies' proposal for the reasons discussed in Section III, above.

ISSUE 6: What is/are the most appropriate method(s) of providing temporary number portability?

*POSITION: See Stipulation filed with Commission on August 31, 1995 and approved on September 12, 1995.


ISSUE 7: What are the appropriate parameters, costs and standards for the method(s) identified in Issue 6?

***POSITION:** See Stipulation filed with Commission on August 31, 1995 and approved on September 12, 1995.

ISSUE 8: Should the docket be closed?

***POSITION:** No position.

DATED this 6th day of November, 1995.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 6th day of November, 1995, to the following:

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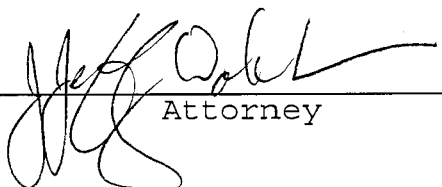
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