

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

January 25, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (SHELPER) *SLG*
DIVISION OF LEGAL SERVICES (BILLMEIER) *LAB HL*

RE: DOCKET NO. 960038-TL - REQUEST FOR APPROVAL OF TARIFF
FILING TO CLARIFY BLOCKING OF SPECIFIC CALLS TO THE
ADVANCED CREDIT MANAGEMENT TARIFF BY GTE FLORIDA,
INCORPORATED (T-95-743, FILED NOVEMBER 16, 1995)

AGENDA: FEBRUARY 6, 1996 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: WAIVED

SPECIAL INSTRUCTIONS: I:\PSC\LEG\WP\960038TL.RCM

CASE BACKGROUND

- By Order No. PSC-95-0588-FOF-TL, in Docket No. 930879-TL, issued May 11, 1995, the Commission granted GTE Florida Incorporated (TEFL) an exemption from Rule 25-4.113, Florida Administrative Code, from May 1, 1995 until April 30, 1996 in order to implement the Advanced Credit Management (ACM) program. The Order further approved GTEFL's tariff to implement its ACM program on an experimental basis, from May 1, 1995 until April 30, 1996. Advanced Credit Management establishes a limit on residential and small business (B-1) customers' toll use and allows GTEFL to block 1+, 0+, and all 900/976/700 calls.
- By Order No. PSC-95-0588A-FOF-TL, issued August 8, 1995, the Commission amended Order No. PSC-95-0588-FOF-TL to remove the language that stated "Customers will not be allowed to dial 10XXX access codes to reach an alternative carrier once service has been blocked." Blocking 10XXX calls was not explicitly included in the tariff but was discussed in the recommendation and initial order.

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- On November 16, 1995, GTEFL filed a tariff to add additional types of calls to those blocked under the terms of the ACM program.

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DISCUSSION OF ISSUES

ISSUE 1: Should the proposed tariff to add additional types of calls to those which will be blocked under the Advanced Credit Management (ACM) program be approved?

RECOMMENDATION: No, the proposed tariff to add additional types of calls to those which will be blocked under the Advanced Credit Management program should be denied.

STAFF ANALYSIS: The Advanced Credit Management (ACM) program was approved as a pilot program for one year, May 1, 1995 - April 30, 1996. The present ACM service establishes limits on residential and small business (B-1) customers' toll use. An evaluation of a customer's credit status is used to establish a customer's deposit and set the level of toll use. Toll usage for this program includes all 1+ and 0+ calls made from the customer's premises that GTEFL can rate and record. When a customer exceeds his toll limit, a five working day notice is sent. After the five day period, access to the toll network is automatically blocked unless the customer pays the amount over the toll limit plus 50% of the account credit limit. Customers retain dial tone for local calling, extended calling service (ECS) and access to emergency services. Customers also retain access to 800 numbers and the relay service.

After the Order was issued, and the tariff was in effect, staff became aware that the blocking restrictions in the recommendation and the Order were different from those in the tariff. The tariff stated that only access to 1+, 0+, and all 900/976/700 calls would be blocked. However, the Order stated in addition to blocking all 1+ and 0+ calls, customers would not be allowed to dial 10XXX access codes to reach an alternative carrier once service had been blocked. An amendatory order, Order No. PSC-95-0588A-FOF-TL, was issued to remove the 10XXX restriction.

On November 16, 1995, GTEFL filed a tariff to clarify blocking of specific calls related to its ACM program. The tariff proposes to block Operator 0+, 1+900/976/700, Customer Abbreviated Dialing (#NXX), DDD 1+, 1+555+1212, 1+NPA+555+1212, 1DDD+01+, 1DDD+011, 10XXX 1+, 10XXX+1+, 10XXX+011+, and/or 101XXXX+011+.

Staff recommends the Commission deny the tariff. Section 364.051(2)(c), Florida Statutes (1995), requires local exchange companies (LECs) that elect price regulation to provide basic local telecommunications service. Section 364.02(2), Florida Statutes, includes access to all locally available interexchange companies as part of basic local telecommunications service. Pursuant to these

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statutory provisions, GTEFL, a price regulated LEC, must provide access to all locally available interexchange companies. All IXCs can be accessed by 10XXX code. Many, but not all, IXCs can be accessed by other dialing patterns as well. Blocking 10XXX access code calls, as proposed by GTEFL, would block access to some IXCs. Since LECs must provide access to **all** locally available IXCs, GTEFL's proposal violates Section 364.051(2)(c), Florida Statutes.

GTEFL's proposal also violates the principles in Chapter 364 promoting competition. Section 364.01(3), Florida Statutes, finds the competitive provision of telecommunications services in the public interest. Section 364.01(4), Florida Statutes, directs the Commission to ensure basic local telecommunications services are available to all consumers. GTEFL's proposal would prevent a segment of Florida consumers, those who have exceeded GTEFL's credit limit for toll service, from accessing other IXCs. An IXC has the ability to determine which customers it should serve. Staff believes it hinders competition to impose GTEFL's standards for creditworthiness to the entire industry. If an IXC wishes to deny service to a high risk customer, it may do so. GTEFL's tariff takes that choice away from the IXC.

GTEFL's tariff does not block access to 1-800 calls. This gives an IXC that allows 800 number access a competitive advantage over IXCs that only allow 10XXX access. Section 364.01(4), Florida Statutes, directs the Commission to ensure all providers of telecommunications service are treated fairly by preventing anticompetitive behavior. GTEFL's tariff is anticompetitive. It prevents a customer who owes a debt to one IXC from accessing that IXC's competitor.

GTEFL filed the tariff on November 16, 1995 before it elected price regulation. Since GTEFL filed its tariff before price regulation, the Commission can use its authority under Section 364.05, Florida Statutes (1993), to deny the tariff. Staff believes the tariff directly violates Section 364.051, Florida Statutes, and limits competition as described in Section 364.01, Florida Statutes. Accordingly, staff recommends the tariff be denied.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if Issue 1 is approved, this docket should be closed if no protest is filed within 21 days of the issuance of the Order.

STAFF ANALYSIS: If Issue 1 is approved, this docket should be closed if no protest is filed within 21 days of the issuance of the Order.