

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

MEMORANDUM

November 6, 1997

RECEIVED

NOV - 5 1997

10:05
FPSC - Records/Reporting

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

FROM: DIVISION OF COMMUNICATIONS (OLLILA, NORTON) *S.O. Nbr*
DIVISION OF LEGAL SERVICES (CULPEPPER) *MCB*

RE: DOCKET NO. ~~970274~~-TP - FLOW-THROUGH OF 1997 LEC SWITCHED
ACCESS REDUCTIONS BY IXCS, PURSUANT TO SECTION
364.163(6), F.S.

AGENDA: NOVEMBER 18, 1997 - REGULAR AGENDA

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\970274TP.RCM

CASE BACKGROUND

Section 364.163(6), Florida Statutes, requires any local exchange carrier (LEC) whose current intrastate switched access rates are higher than its December 31, 1994, interstate switched access rates to reduce its intrastate switched access rates by 5 percent annually, beginning October 1, 1996. Once parity between the intrastate and 1994 interstate rates is reached, no further reductions are required.

Section 364.163(6), Florida Statutes, also requires that the intrastate switched access rate reductions be "flowed-through" to long distance customer rates by any telecommunications company (IXC) whose switched access rates are reduced by this section.

In accordance with Section 364.163(6), Florida Statutes, the Commission issued Order No. PSC-97-0604-FOF-TP, on May 27, 1997. This Order required ALLTEL, Frontier Communications of the South, GTE Florida, Sprint-Florida, and Vista-United Telecommunications to reduce their intrastate switched access rates, effective October 1, 1997. BellSouth's March 1, 1997, intrastate switched access rate reductions, filed pursuant to Order No. PSC-97-0128-FOF-TL, in Docket No. 920260-TL, brought BellSouth's intrastate composite switched access rate below its December 31, 1994 interstate composite switched access rate, which is the level required by Chapter 364, Florida Statutes. The reduction required to bring

DOCUMENT NUMBER-DATE

1-1333 NOV-56

FPSC-RECORDS/REPORTING

DOCKET NO. 970274-TP
DATE: November 20, 1997

BellSouth's intrastate composite switched access rate to parity with its interstate rate was 2.7 percent.

The Commission also ordered facility-based IXCs to flow-through the LEC switched access rate reductions, effective October 1, 1997, including BellSouth's 2.7 percent reduction.

In addition, the Commission directed staff to report on the amount of the IXC flow-throughs, including any amounts above and beyond the statutory requirement, by October 1, 1997.

DISCUSSION OF ISSUES

ISSUE 1: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed. (Ollila)

STAFF ANALYSIS: The LECs' 1997 switched access rate reduction tariffs, and the IXCs' tariffs for the flow-through of those rate reductions, are effective. On October 1, 1997, staff provided a report to the Commissioners that summarized the IXC flow-throughs for 1997. Since the statutory requirements are complete for 1997, no other matters remain to be addressed in this docket. Staff, therefore, recommends that this docket be closed.