



UNIVERSITY OF FLORIDA

SCANNED

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VIA FEDERAL EXPRESS

December 29, 1998

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

982015-TL

RE: University of Florida's Petition for Variance or Waiver

Dear Mrs. Bayó:

Enclosed please find the University of Florida's Petition for Variance or Waiver for filing with the Public Service Commission. A copy of this letter and the Petition is enclosed. If you do not mind, I would very much appreciate your noting the original was filed and returning a copy in the enclosed self-addressed envelope.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to give me a call at your convenience.

Sincerely,

Robert H. Pritchard
Associate General Counsel

RHP/nh
Enclosures

cc: James C. Grimm
Paula J. Isler

RHP/12289801Bayólr

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of University of Florida,)
for and on behalf of the Board of)
Regents For the State of Florida)
_____)

Docket No. _____

Filed: _____

**UNIVERSITY OF FLORIDA'S PETITION
FOR VARIANCE OR WAIVER**

The University of Florida, for and on behalf of the Board of Regents for the State of Florida ("University"), pursuant to Rule 25-22.036(4) of the Florida Administrative Code, petitions the Florida Public Service Commission (the "Commission") for a waiver of Rule 25-24.640, Florida Administrative Code, which currently prohibits University from blocking access to 10XXX service by the student residents of its dormitories. In support of this Petition, University hereby states as follows:

Factual Statement

1. The University is a nonprofit agency of the State of Florida which has as one of its primary missions, the provision of educational and related services to the citizens of the State of Florida.

2. The University's principal place of business is located in Gainesville, Florida.

3. Pleadings and process in this matter may be served upon:

Robert H. Pritchard
Associate General Counsel
University of Florida, Office of the General Counsel
207 Tigert Hall
Gainesville, Florida 32611

4. The University has dormitories located on its campus which house students under written agreements between the students (or their parents) and the University. Under these agreements, the University provides telephone access to the students.

5. The University, through its Division of Housing, entered into a Special Service Agreement in June of 1996, with BellSouth Telecommunications, Inc. to provide basic dial tone service as well as four (4) additional features (call waiting, speed calling, 3-way calling, and call transfer) to all student housing residents on campus. Under the terms of the contract, telephone service is provided for the monthly fee of \$12.50 per line, which includes all options and related fees. The comparable rate in Gainesville for this service is \$25.35 per line per month.

6. The University also entered into a contract with MCI to provide an optional discounted long distance service to on-campus housing residents. The contract was a result of competitive bids obtained through use of the State of Florida competitive bid process. Such an optional long distance service has been available to on-campus residents since 1984. The vendor has varied depending upon who successfully responds to the Request for Bids. The current contract provides a 40 percent discount off standard AT&T rates. The University estimates that approximately 75 percent of its residents use this service. Students may, however, select any carrier they would like as long as the service is accessed through an 800 access code or by credit card.

7. Service was blocked to 10XXX calls as a result of an accumulation of \$75,000 in long distance charges that were uncollectable. The estimated annual amount of uncollectable calls was \$40,000. The 10XXX calls were not collectable for a variety of reasons which included students moving and not leaving a forwarding address, students refusing to pay, and students claiming the calls were not theirs. The University had three (3) Division of Housing staff members spending an estimated ten percent of their work time trying to assist BellSouth collection agents by providing resident contact information, contacting residents directly to encourage them to resolve the billing issues, and reviewing billings that were misdirected in some manner. The University, as a state agency, has limited resources to carry out its mission. In order to not waste these resources as set forth above, the decision was made to block access to the 10XXX service.

Basis for Relief

8. Application of Rule 25-24.640 to the University of Florida would create substantial hardships not only to the University, but also to the students it serves. Because most

all dormitory rooms house multiple students, the University cannot ascertain which student used the 10XXX service and should be billed. Moreover, even if it could do so, often it would be unable to collect on such bills. Without the relief granted, the Division of Housing will be faced with the choice of wasting valuable state resources as outlined in paragraph 7 above or requiring each student to obtain his or her own telephone line.

9. To require each student to obtain their own telephone line would result in the Division of Housing undertaking a costly and major renovation project to provide for multiple lines per room that would be disruptive to residents and result in increased rent to cover the costs. In addition, each student would have to contract separately for both local and long distance services at a substantial increase over present costs. The local service costs would include substantial deposits as students are viewed as high risk customers as well as service charges for turning the service on and off at appropriate times. The monthly rate would not be the current bulk rate amount of \$12.50, but the more than double rate of \$25.35.

10. It is unknown how long it would take for BellSouth personnel to open nearly 8,000 new accounts each fall. However, it is very likely there would be a delay in students receiving local service which also presents a security concern. Moreover, there would be no feasible way to monitor the unauthorized use of the telephone lines within the rooms which would be a potential problem for various telephone companies trying to collect charges.

11. Strict application of Rule 25-24.640 in this instance will lead to unreasonable, unfair, and unintended results.

12. It is clear under the facts set forth above that a variance or waiver in this instance is consistent with section 364.3376(6) of the Florida Statutes, which is the underlying statute for Rule 25-24.640. Section 364.3376(6), which prohibits blocking access to a service provider of the end user's choice, allows the Commission to grant limited waivers to "call aggregators upon a showing that such waiver is in the public interest." It cannot be disputed that saving valuable and limited state educational resources is in the public interest. Moreover, providing convenient telephone access at bulk rates to college students is in the public interest also.

13. Principles of fairness would also be violated if the Rule is applied to the University. Unlike other call aggregators, such as hotels and resorts, the University cannot assign responsibility to a single person for such calls. Whereas, a hotel assigns the responsibility to the person registering the room and has a credit card to ensure payment, each University

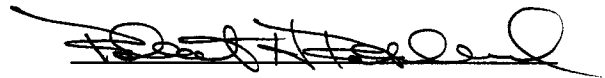
dormitory has multiple students. In addition, unlike other call aggregators, the University is not a commercial enterprise seeking to profit from the service provided. It is merely attempting to provide the services to its students at the lowest possible cost with the highest level of convenience.

14. In sum, the University is seeking the waiver for the following reasons: to ensure the continued convenience to residents of always having the local service available without delays from turning the service on and off; to guarantee the continued bulk rate under the "Special Service Agreement" with BellSouth and the special long distance rate with MCI, which result in substantial savings to residents; and to minimize the potential of fraud related to unauthorized and uncollectable long distance charges that would result if long distance service was provided in such a manner that would not ensure billing to those initiating the calls.

WHEREFORE, the University respectfully requests the Commission to issue a limited waiver or variance of Rule 25-24.640, Florida Administrative Code, and authorize University to continue to block 10XXX access.

Respectfully submitted this 29th day of December, 1998.

**UNIVERSITY OF FLORIDA
FOR AND ON BEHALF OF THE
BOARD OF REGENTS FOR
THE STATE OF FLORIDA**



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