

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Centel Network )	DOCKET NO. 890689-TI
Communications, Inc. d/b/a Centel Net )	ORDER NO. 22880
for authority to provide interexchange )	ISSUED: 5-2-90
telecommunications service. )	
_____ )	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING SALES AGREEMENT  
UPON CERTAIN TERMS AND CONDITIONS  
AND DENYING CONFIDENTIALITY PLAN  
FOR PROPRIETARY INFORMATION HELD BY  
CENTRAL TELEPHONE COMPANY OF FLORIDA

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On May 18, 1989, Centel Network Communications, Inc. (Centel Net) applied to this Commission for authority to provide interexchange telecommunications service. Centel Corporation is the parent corporation of Centel Net and Central Telephone Company. Central Telephone Company is parent to Central Telephone Company of Florida, which is certificated in Florida as a local exchange company (LEC).

By Order No. 22407, we authorized Centel Net to operate as an interexchange carrier (IXC) in Florida. Because Centel Net is affiliated with Central Telephone Company of Florida, we

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imposed certain terms and conditions to lessen the possibility that either company would engage in discriminatory practices against other IXCs. In that Order, we set for hearing the issue of whether compensation should be paid by Centel Net to Central Telephone Company of Florida. We authorized Centel Net to begin its IXC operations provided that any compensation fee we subsequently determined to be appropriate would be retroactive to the date of its certification.

APPROVAL OF SALES/MARKETING AGREEMENT  
UPON CERTAIN TERMS AND CONDITIONS

Because we were concerned that Centel Net might have an unfair advantage over other IXCs if Central Telephone Company of Florida's sales representatives acted as agents selling Centel Net's services, we deferred our consideration of Centel Net's proposed sales and marketing agreement and instructed our staff to investigate the existence of similar sales agreements between the LECs and other IXCs in Florida.

We have received information that nine LECs have sales agreements with ATT-C. According to the sales agreements submitted, the marketing efforts and compensation are generally divided into the sales of calling cards and optional calling plans, such as Reach Out America. The marketing efforts and compensation include sales lead information which is provided to ATT-C by the LEC regarding potential business customers.

The majority of the agreements are similar to the Central Telephone Company of Florida/ATT-C agreement. However, the Central Telephone Company of Florida/ATT-C agreement limits the sales and marketing efforts to customers who initiate the sales effort. Also, the Central Telephone Company of Florida/ATT-C agreement prohibits the sales force marketing ATT-C's services from marketing the services of other IXCs.

The Central Telephone Company of Florida/ATT-C agreement requires that sales or marketing efforts must be either on a customer initiated basis or as specifically authorized by ATT-C pursuant to accounts specified in the agreement. Regarding the Central Telephone Company of Florida/Centel Net agreement, no limitations exist as to when the sales representative can discuss Centel Net's rates and services.

In its agreement with ATT-C, Central Telephone Company of

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Florida's sales/marketing of ATT-C's services, including providing sales lead information, is limited to business customers except those referred by ATT-C for order completion. The sales/marketing of ATT-C's callings cards and optional calling plans includes both residential and business customers. The Central Telephone Company of Florida agreement with Centel Net does not include these specific terms. The Central Telephone Company of Florida/ATT-C agreement states that the designated marketing sales force for ATT-C shall not market interLATA interexchange services to business customers for any other carrier. In Central Telephone Company of Florida's agreement with Centel Net, sales/marketing of Centel Net's services includes residential customers.

The Central Telephone Company of Florida/ATT-C agreement provides that compensation is for marketing ATT-C's interexchange services, including providing sales lead information, to business customers only and calling card and optional calling plan orders completed by Central for both business and residential customers. In the Central Telephone Company of Florida/Centel Net agreement, compensation is for "...each presubscribed customer changed to Centel Net as a result of the sales efforts of Central Telephone Company of Florida, plus the then most current carrier charge established by tariff for each interexchange access of said customer..." as well as for "...each new customer which selects Centel Net as his primary carrier as a result of the sales effort of Central Telephone."

Based on the foregoing, we find it appropriate to approve the Central Telephone Company of Florida/Centel Net proposed sales/marketing agreement only on the basis that Central Telephone Company of Florida shall provide other IXCs the opportunity to enter into the same agreement under the same terms and conditions, including the prices for the services rendered. This is consistent with our requirement in Order No. 22407, where we ordered Central Telephone Company of Florida to offer all services and facilities provided to Centel Net to any other IXC under identical terms and conditions. If other IXCs or entities become concerned that discriminatory behavior is occurring, we will carefully investigate such allegations and take appropriate action.

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DENIAL OF CONFIDENTIALITY PLAN

By Order No. 22407, we required Centel Net to submit a confidential treatment plan for proprietary information regarding other IXCs held by Central Telephone Company of Florida. Specifically, in Section II (b) of Order No. 22407, we stated:

- b) No officer, director or employee of Centel Net shall have access to any proprietary information held by Central Telephone Company of Florida that relates to other IXCs.

Central Telephone Company of Florida submitted a copy of its existing plan for confidentiality that describes the company's and employee's obligations with respect to proprietary information. This plan for confidentiality clearly contemplates common officers. Order No. 22407 prohibits access by Centel Net to confidential proprietary information held by Central that relates to other IXCs. To suggest that a common officer or director can have access to this type of information without violating the spirit of this provision is very hard to accept.

Therefore, we find it appropriate to reject the plan submitted by Centel Net for dealing with proprietary information held by Central. Centel Net shall submit a revised plan that complies with Order No. 22407 within ten days of the effective date of this Order.

This Order shall become final and effective at the end of the protest period, if no protest is received. The docket shall remain open, however, until hearing on the compensation issue is completed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the sales marketing agreement with Central telephone Company of Florida submitted by Centel Network Communications, Inc., is hereby approved as set forth in the body of this Order. It is further

ORDERED that Central Telephone Company of Florida's plan

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for dealing with confidential proprietary information of other IXCs is hereby denied. Centel Network Communications, Inc., shall submit, within ten days of the effective date of this Order, a revised plan addressing the concerns set out in the body of this Order.

By ORDER of the Florida Public Service Commission,  
this 2nd day of MAY, 1990.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

SFS

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 action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This 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 May 23, 1990.

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In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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 and effective 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 sewer 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 effective date of this order, 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.