

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for waiver of ) DOCKET NO. 950769-TP  
required payment method of dial- ) ORDER NO. PSC-95-1369-FOF-TP  
around compensation to allow ) ISSUED: November 3, 1995  
implementation of a per-call )  
based method for intrastate )  
calls to non-local exchange )  
company pay telephone (NPAT) )  
providers by Florida Public )  
Telecommunications Association, )  
Inc. )  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING PER-CALL DIAL-AROUND COMPENSATION

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On July 5, 1995, the Florida Public Telecommunications Association, Inc. (FPTA) filed a petition seeking per-call dial-around compensation from the interexchange carriers (IXCs) currently paying per-line compensation, requesting an investigation into whether all IXCs should pay per-call compensation, and requesting an investigation as to whether compensation should be extended to "subscriber-800" calls. As described below, we approve the petition in part and deny it in part.

We approve FPTA's request to implement per-call compensation. FPTA requests that we order the four IXCs currently obligated to pay dial-around compensation, AT&T Communications of the Southern States (ATT-C), Sprint Communications Company Limited Partnership

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(Sprint), MCI Telecommunications Corporation (MCI), and Telemarketing Corporation of Louisiana d/b/a LDDS Communications (LDDS), to convert from their portion of the \$3.00 per month flat rate per line, to \$0.25 per dial-around call. FPTA also requests that we retain the \$3.00 surrogate in non-equal access areas. Currently, each non-local exchange company pay telephone provider (NPATS) receives \$3.00 per line per month in dial-around compensation from the four largest IXCs. The amount each IXC pays is in proportion to each company's percentage of intrastate traffic. ATT-C pays \$2.02 per line, MCI pays \$0.43, Sprint pays \$0.29, and LDDS pays \$0.26.

We agree that per-call compensation should be implemented. We indicated our desire in Order No. PSC-93-0070-FOF-TP, issued January 14, 1993, and Order No. PSC-95-0881-FOF-TI, issued July 19, 1995, to move to a per-call compensation arrangement once one was technically feasible. ATT-C and Sprint have already begun per-call compensation at the federal level. Additionally, the FCC recently proposed that all IXCs paying interstate per-line dial-around compensation should begin \$0.25 per-call compensation. ATT-C, MCI, and LDDS shall begin paying \$0.25 for each dial-around call effective January 1, 1996.

We granted a Sprint request to move to per-call compensation effective July 1, 1995 in Docket No. 950718-TP. By approving Sprint's request in that docket, we do not need to order Sprint to pay per-call compensation in this docket. The mandate in this Order to pay per-call dial-around compensation will apply only to ATT-C, MCI, and LDDS.

We do not believe that the \$3.00 surrogate should remain in non-equal access areas. Although we agree that measuring calls in these areas can be problematic, we do not believe it is an issue in Florida. Florida is over 99% equal access, with only a few access lines in the entire state not converted. There is a significant administrative expense in administering the surrogate and we do not believe that the expense is warranted for so little potential revenues. However, if FPTA can show that not including non-equal access areas would be significantly detrimental to NPATS, we may consider reestablishing the surrogate in those areas at a later date.

FPTA requests that we develop a surrogate for any IXC that continues to use a 950 access code. FPTA recommends the surrogate should be developed by NPATS providers by obtaining a ratio of 950 calls to other dial-around calls, then applying that ratio to an individual IXC. We believe that FPTA is requesting this because 950 calls cannot be measured in some way. However, FPTA does not

make this claim nor does it provide any explanation why it desires this provision. Therefore, we deny this request. However, we also order any IXC, including Sprint, paying dial-around compensation that uses 950 as an access code to provide an explanation why these calls cannot be measured, if measurement is a problem, and propose an alternative method of per-call compensation for these calls.

We deny FPTA's request that we initiate an investigation to determine if all IXCs should pay per-call dial-around compensation. There are currently over 200 interexchange carriers in Florida but ATT-C, MCI, Sprint, and LDDS comprise more than 90% of the market. Order No. PSC-93-0070-FOF-TP intentionally limited compensation to those four carriers to reduce administrative burdens. We see no reason to change that policy.

We also deny FPTA request to investigate whether it is appropriate to require compensation for subscriber-800 calls. These are calls made from pay telephones to 800 end users, such as QVC or Sears. These are clearly not dial-around calls. Dial-around calls are defined as 10XXX, 800, 950, or other access code completed calls which are dialed by the end user from a pay telephone station to access his IXC of choice. See Order No. PSC-93-0070-FOF-TP. FPTA is requesting compensation here for calls for which NPATS do not receive revenues, not for calls circumventing the presubscribed carrier. FPTA's request would be more suitably framed as an extension of the our set use fee policy for pay telephones and not in the context of dial-around compensation. This distinction becomes significant because each charge is billed differently. Dial-around compensation is billed to IXCs that in turn absorb the costs and build them into their rates. End users never see these charges as line item costs on their phone bills. Set use fees are billed directly to end users. Since end users perceive originating an 800 call as free, it is much more palatable to bill any fees for these calls to someone other than the person making the 800 call. We rejected FPTA's attempt to include subscriber-800 calls in the definition of dial-around calls, after a hearing, in Order No. PSC-93-0070-FOF-TP and decline its invitation to revisit that decision here.

It is, therefore,

ORDERED by the Florida Public Service Commission that the Petition filed by the Florida Public Telecommunications Association is granted in part and denied in part, as described in the body of this Order. It is further

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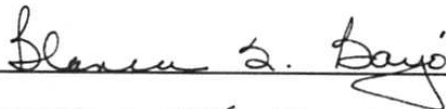
ORDERED that AT&T Communications of the Southern States, MCI Telecommunications Corporation, and Telemarketing Corporation of Louisiana d/b/a LDDS shall begin paying \$0.25 per dial-around call made from pay telephones effective January 1, 1996. It is further

ORDERED that AT&T Communications of the Southern States, MCI Telecommunications Corporation, and Telemarketing Corporation of Louisiana d/b/a LDDS shall no longer be required to pay the \$3.00 surrogate implemented in Order No. PSC-93-0070-FOF-TP, issued January 14, 1993, effective January 1, 1996. It is further

ORDERED that the Florida Public Telecommunications Association's requests that the Commission investigate whether all interexchange carriers should pay dial-around compensation and whether compensation should be required for subscriber-800 calls are denied. It is further

ORDERED that, unless a person whose substantial interests are affected by the action proposed herein files a petition in the form and by the date specified in the Notice of Further Proceedings or Judicial Review, below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 3rd day of November, 1995.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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Commissioner J. Terry Deason dissented from the Commission's decision in this docket.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 27, 1995.

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.

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 substantially 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 wastewater 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.