

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the inter- )	DOCKET NO. 870675-TL
connection of mobile carriers with )	ORDER NO. 20979
facilities of local exchange companies )	ISSUED: 4-4-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER ON RECONSIDERATION

BY THE COMMISSION:

BACKGROUND

By Order No. 20475, issued December 20, 1988 (the Order), we entered our decision on the issues addressed in the above-referenced investigation. On January 4, 1989, Southern Bell Telephone and Telegraph Company (Bell) filed a timely Petition for Reconsideration of the Order. On January 4 and 9, 1989, Bell filed a Corrected Petition and an Amended Petition, respectively. This latest pleading incorporates all arguments raised in the preceding petitions and will be discussed herein as "the Petition."

McCaw Cellular Communications, Inc. (McCaw), Florida Radio Telephone Association, Inc. (FRTA), and Western Florida Cellular Telephone Corp. (Western) filed timely responses to the Petition. McCaw filed a Cross Motion for Clarification in addition to its response. Bell filed a timely response to McCaw's Cross Motion, and GTE Florida Incorporated (GTEFL) replied to Western's response.

INTERLATA CALL RESTRICTION

Type 2 interconnection service is offered by local exchange companies (LECs) for the connection of their local or access tandem switches (herein, "Tandems") with the facilities of mobile carriers. The evidence in this proceeding indicates that Bell cannot record or measure usage at its Tandems, and in the Order, we established a surrogate procedure to be used by LECs for calculating usage charges in such a situation. In the Petition, Bell argues that, while it is sufficient for traffic terminated by the LEC itself, *i.e.*, local and intraLATA toll calls, the surrogate procedure is insufficient for calls that are routed to an interexchange carrier (IXC), *i.e.*, an interLATA call. Bell states that, without actual billing data, it can neither bill the calls for those IXCs who employ Bell's billing and collection services nor bill access charges to IXCs for delivery of their calls. Bell indicates that this condition will continue until it installs recording capability in its Tandems, which is expected to be completed by the end of 1989.

Therefore, Bell requests that we take one of two recommended actions in order to clarify the Order. First, we are urged to limit the use of Type 2 interconnections to local

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. 20979  
DOCKET NO. 870675-TL  
PAGE 2

and intraLATA traffic. In the alternative, we are asked to require mobile carriers to furnish LECs with sufficient information to permit billing toll and access charges applicable to calls carried by IXCs where the surrogate procedure must be used. In its response, McCaw endorsed the former alternative that would prohibit interLATA calls from being placed through Type 2 interconnections. McCaw has entered into an agreement with Bell to send only local and intraLATA traffic through Type 2 interconnecting facilities. McCaw urges our adoption of this procedure, asserting that it has worked well in the past and is a reasonable means of addressing Bell's concerns. Notwithstanding this agreement with McCaw, Bell now requests authority to impose this restriction as a tariff provision.

Access charges are designed to recover the LECs' costs of transporting toll calls from customers' premises through access tandem switches to IXCs' Points of Presence. LECs are not currently authorized to bill access charges to IXCs for delivery of mobile carriers' toll traffic through a Type 2 interconnection. Under Type 2 interconnection, mobile carriers use their own facilities for transporting their customers' calls to the Tandems. Therefore, we believe that LECs do not incur all of the costs that access charges are designed to recover. In 1987, Bell filed -- and subsequently withdrew -- a tariff proposal requesting authority to charge the Local Transport rate to IXCs for cellular-originated calls placed through Type 2 interconnections. Bell is consequently aware of its specific lack of the requisite authority to bill access charges to IXCs for such traffic. We find therefore that LECs do not need actual billing data from mobile carriers for the purpose of billing access charges to IXCs for such calls.

Our review of the evidence indicates that Bell bills on behalf of very few IXCs and further that the amount of mobile traffic delivered to IXCs over LEC-switched facilities is not significant. Therefore, we conclude that the number of toll calls for which LECs bill mobile carriers for IXCs are less than substantial. In the Order, we declined to require mobile carriers to provide actual magnetic billing tapes to LECs. The principal reason that LECs need actual billing data from mobile carriers is to permit the LECs to bill toll charges on behalf of those IXCs ordering LEC billing and collection services. In light of this finding that the surrogate procedure is a less adequate billing mechanism than actual billing data for only a negligible number of calls, we will not reverse this decision.

Upon consideration, we grant Bell's request for clarification; however, this authorization is subject to certain qualifications. A temporary provision may be added to the tariffs of those LECs who do not have measuring and recording capabilities in their Tandems for the purpose of limiting the types of mobile traffic that can be placed through Type 2 interconnecting facilities to local and intraLATA calls only. This tariff provision must terminate six months after its effective date, based on our conclusion that this is a reasonable time period for these LECs to be protected. We take this action with the expectation that these LECs will proceed as rapidly as possible to implement recording capabilities at their Tandems. LECs who elect to include this provision in

ORDER NO. 20979  
DOCKET NO. 870675-TL  
PAGE 3

their tariffs should not wait until its expiration date to begin recording and billing. As each tandem switch is so equipped, the company shall begin recording and billing actual usage at that switch, thus decreasing the use of the surrogate and eliminating the restriction on a switch-by-switch basis. In addition, Bell shall provide, as described below, the implementation schedule of the software installation at its Tandems and shall comply with the reporting requirements explained below which shall also be imposed on each electing LEC.

#### MCCAW'S CROSS MOTION

The Cross Motion requests that we set a deadline of June 1, 1989, for Bell to implement measuring and recording at its Tandems. Bell has known of its inability to perform these functions for Type 2 interconnections for at least two years as evidenced by the restrictions in its experimental tariff that became effective in December of 1986. Section A3.16.4C of this tariff states: "The availability of the Type 2A interconnection is dependent on the [cellular carrier's] agreement to provide billing data as specified by the Company." As discussed above, Bell expects to have such capabilities in place in the near future.

McCaw argues that during the two years that Bell has furnished Type 2 interconnections, the company has had more than sufficient time to have eliminated the need for surrogate rates. Bell's response states that: "no evidence exists which shows that Southern Bell has failed to pursue the changes necessary to allow measuring and recording cellular calls at the access tandem. Indeed, the evidence is precisely to the contrary." Bell further argues that it is in the LEC's interest to obtain the capacity to measure and record accurately as soon as possible.

We believe that Bell should make a concerted effort to provide the necessary recording capability before the tariff restriction deadline approved above. In order for us to monitor the company's progress, Bell is required to file, by March 31, 1989, a report that gives schedules for the completion of the necessary projects to provide the recording capabilities at each of its Tandems. This initial report should explain why the schedules are reasonable and timely. As each of the Tandems is completed, Bell shall inform our Staff of actual recording and billing implementation dates.

There is no evidence in the record to support a deadline date of June 1, 1989, or any other specific date for the provisioning of measuring and recording capability by Bell. Therefore, we believe that a specific date should not be established for the completion of this installation. For this reason and in light of the implementation and reporting requirements set out herein, the Cross Motion is denied.

#### OPTIONAL LATA-WIDE DIALING RATE

Bell requests that we reconsider the Order and change the scope of the optional billing arrangement for land-to-mobile traffic from LATA-wide to MSA-wide. This arrangement permits

ORDER NO. 20979  
DOCKET NO. 870675-TL  
PAGE 4

mobile carriers to elect to pay for calls to their mobile customers which would have otherwise resulted in toll charges to the LEC's subscriber. Bell states that there is no evidence in the record supporting the feasibility of extending the scope of this billing arrangement to calls completed outside the mobile carrier's service area. The company charges that the record lacks evidence relating to the feasibility or cost of screening land-to-mobile calls on a LATA-wide basis to insure that LEC subscribers would not be charged toll rates if the mobile carrier elects this optional billing arrangement. McCaw's response maintains that we correctly adopted the LATA as the appropriate toll-free calling area under this option and asserts that this uniformity in treatment and scope is appropriate.

FRTA responded that the concept of a uniform area-wide dialing rate option for mobile carriers had been advanced in the early stages of this docket. The Prehearing Order squarely framed an issue to address this concept; however, there has been a lack of consensus among the parties as to the correct geographical area to be covered by that option. FRTA believes that the Petition merely reargues Bell's position on the issue which we rejected. To Bell's assertion that the record does not support the feasibility of such a billing arrangement, FRTA states that the experimental tariff of Central Telephone Company of Florida (Centel) containing a LATA-wide land-to-mobile calling option and the testimony of Centel's witness are adequate proof that such a plan will work. Western responded that fine-tuning of the cellular interconnection structure that has been approved should not be attempted before it has been implemented and permitted to develop.

We conclude that the record contains sufficient support for our decision that the LECs should implement this option on a LATA-wide basis. Our review of the testimony and the exhibits finds that a billing arrangement with a LATA-wide scope is feasible. The Order is clear that a LATA-wide scope is the appropriate geographical area for this option. After considering the arguments, we decide not to reconsider the appropriateness of our decision that a LATA-wide dialing rate be assessed electing mobile carriers on toll calls from LEC subscribers.

#### TIME INCREMENT

The Order approved a rate structure and rate levels for mobile interconnection based, in part, on access charges because the LECs have systems for billing these charges already in place. The rates for the land-to-mobile optional arrangement discussed above consist of terminating switched access charges, which also comprise the toll component of the composite usage rate applied to mobile-to-land calls. At page 24 of the Order, we specify that mobile-originated usage should be measured and billed "on as near an actual time basis as possible." Bell seeks clarification that the time increment for measuring and billing usage under the land-to-mobile option is the same as that for mobile-originated traffic. McCaw and FRTA do not oppose this clarification.



ORDER NO. 20979  
DOCKET NO. 870675-TL  
PAGE 5

Upon review, we clarify the Order to specify that the time increment used to record, measure and bill usage under the land-to-mobile optional arrangement is the same as that used for mobile-to-land traffic. Accordingly, the LECs will utilize the smallest time increments possible and will include call attempts in measuring usage.

#### TARIFFS OF NON-PARTY LECs

Although some LECs do not currently serve cellular carriers, many do serve Radio Common Carriers (RCCs) and private carriers. The policies and rate structure set forth in the Order are statewide and apply to all mobile interconnectors. For this reason, we intended for all LECs providing service to any mobile carrier to file tariff revisions conforming to these policies. We note that the Federal Communications Commission will be issuing licenses to cellular carriers for operating in the Rural Statistical Areas (RSAs) in Florida in the near future. As a result, LECs will need tariffs covering these new services in place when these cellular carriers require interconnection.

Upon consideration, we will require those LECs who were not parties to this proceeding and who provide interconnection to any mobile carrier to file tariff revisions no later than 90 days after the tariff revisions of the four LECs who are parties herein have been approved. This filing deadline should allow those LECs sufficient time to compile cost support and calculate their rates. These tariff revisions shall become effective no later than 15 days after they are received and are found to be in conformity with the requirements of the Order and of this Order. They may be approved under administrative authority delegated here to our Staff if they are found to be in compliance with the policies established in this proceeding.

#### EFFECTIVE DATES

LECs shall submit replacement pages to the proposed tariff changes currently on file, incorporating any changes required as a result of our decision here. We believe that the appropriate effective date for these tariff revisions is the 15th day after the issuance of this order. In addition, as noted in Order No. 20837, issued March 2, 1989, suspending the tariff revisions currently pending for the four LECs who are parties herein, deficiencies were identified which must be corrected. The LECs have been notified that back-up information and replacement tariff pages are required to correct these deficiencies and to bring these proposals into compliance with Orders Nos. 20837 and 20475 and with this Order.

#### GTEFL'S PLEADING

GTEFL filed a pleading purporting to reply to a response to a motion for reconsideration. There is no provision in our rules and procedures authorizing the filing of such a pleading. Our acceptance of this pleading would set a precedent for similar pleadings in other proceedings. Were we to encourage such unauthorized pleadings by accepting GTEFL's pleading here, pleading cycles could become interminable, leading to endless delays and extensions. Such a course of

ORDER NO. 20979  
DOCKET NO. 870675-TL  
PAGE 6

action would not be in the public interest because it would create an inordinate waste of resources. In the interest of protecting a rational pleading procedure, we must strike this unauthorized pleading.

It is, therefore,

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's pleadings filed on January 4 and 9, 1989, seeking reconsideration and clarification of Order No. 20475, issued December 20, 1988, are hereby granted to the extent explained in the body of this Order and denied in all other respects. It is further

ORDERED that the unauthorized pleading filed by GTE Florida Incorporated on February 10, 1989, is hereby stricken. It is further

ORDERED that the Cross Motion for Clarification filed on January 17, 1989, by McCaw Cellular Communications, Inc., is hereby denied. It is further

ORDERED that Order No. 20475, issued December 20, 1988, is hereby clarified to the extent discussed in the body of this Order and affirmed in all respects. It is further

ORDERED that local exchange companies shall comply with the requirements established in Order No. 20475, issued December 20, 1988, and in the body of this Order within the time limits set out in these Orders. It is further

ORDERED that this docket shall remain open for further proceedings.

By ORDER of the Florida Public Service Commission,  
this 4th day of APRIL, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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