United Telephone System

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F. B. (Ben) Poag
Director - Revenue Planning & Regulatory

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Mr. Steve Tribble
Director, Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0865

Dear Mr. Tribble:

In Docket No. [redacted] United Telephone and Southern Bell were ordered to implement $.25 message rate calling between Mt. Dora and United's Apopka and Winter Park exchanges and between Mt. Dora and Bell's Orlando exchange. In addition, in Docket No. 900755-TL the Staff recommended implementation of the $.25 message rate plan between United's Kissimmee and Reedy Creek exchanges.

At the April 2, 1991 Agenda Conference, United requested and was granted 45 days to study the proposed $.25 message plans and to report back to the Commission on its capabilities to implement the plan. Following are the results of United's analysis and how, if ordered, United would implement the $.25 plans. In addition, comments are provided which address United's concerns about implementation of the $.25 plan on routes other than routes within the 0 to 10 mile toll rate band as ordered in United's rate case.

General Comments:

United does not oppose the $.25 message rate plan as an alternative to flat-rate EAS on certain short-haul toll routes where sufficient community of interest exists. However, on longer haul routes such as, Mt. Dora/Winter Park (23 miles) and Mt. Dora/Orlando (24 miles), there are concerns about the long-term impacts of implementing the $.25 message rate plan. These concerns are the potential negative impact on revenues, the additional cost associated with implementing the plans and, more generally, the overall lack of a long-term plan which addresses pricing for local services and/or short-haul toll services. Also,

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implementing the $.25 plan on selected routes has the potential to create a series of new EAS/toll alternative requests. For example, allowing the $.25 Orlando/Mt. Dora route will lead many Orlando subscribers to believe they should have the Sanford exchange (same area code and only 21 miles away) for $.25 as well as Mt. Dora. It is these differences in calling scopes and/or the charges for the calls that lead to petitions to change exchange boundaries and extend local calling areas. For example, we have already received an inquiry for a Groveland to Clermont exchange boundary change resulting from the recent decision to expand the Clermont exchange EAS area. The introduction of the $.25 message rate plan if approved for the Mt. Dora/Orlando route will surely result in requests for Sanford/Orlando. Because of the potential additional requests that the $.25 message plan may generate, United proposes that the offering be limited to the 0 to 10 mileage band at this time.

While it is recognized that customers have stimulated calling where the $.25 plan has been initiated, it is not clear whether the stimulation is driven more by the $.25 rate or the elimination of one-plus dialing.

United has also had very good response to its OEAS plans, which are flat-rate residence calling and discounted toll rates for business usage. These plans should not be discarded without further study.

Further, United opposes providing any free call allowance in connection with the $.25 message rate plan. If a free call allowance were to be included with the plan, directories should be made available to subscribers in both exchanges. In addition, the rate grouping plan should be applied to offset some of the lost toll revenues and the cost associated with providing the directories.

Seven-Digit or 1+ Dialing Requirements

The message rate service would be implemented on a seven-digit dialing basis where United has digital switches that are capable of providing message rate dialing on a seven-digit basis, except where the proposed route crosses a Numbering Plan Area (NPA) boundary. Because of the expected exhaustion of NPAs and three-digit prefix codes (NXXs), and the industry's need to implement interchangeable codes to resolve the exhaustion problem, implementation of the $.25 message rate plan on any inter-NPA routes should be on a 1+ ten-digit basis. This will be consistent with the dialing requirements after interchangeable codes are implemented, i.e., all intraLATA toll calls within an NPA will require 1+ ten-digit dialing after interchangeable codes are implemented. Customers would understand and accept 1+ ten-digit dialing between NPAs when also required within an NPA for a chargeable call.

Further, implementing the plan in this manner provides for more efficient use of NXX codes by allowing the NXX codes in these exchanges to be used in both NPAs. In addition, implementation on a 1+ ten-digit basis minimizes confusion and potential misrouting of calls to the wrong exchange. For example, the 422 code which is in both the Orlando and Tallahassee exchanges, could be routed by an operator to either Orlando or Tallahassee.

Implementing the plan consistent with the interchangeable code plan would result in 1+ ten-digit dialing between the Mt. Dora exchange, in the 904 NPA, and the Apopka, Winter Park and Orlando exchanges in the 407 NPA.

Seven-digit dialing could be implemented between Kissimmee and Reedy Creek since both of these exchanges are in the same NPA.

Custom Code Restrictions

The Custom Code Restriction (CCR) options described in the General Exchange Tariff provide restricted calling for certain types of calls, e.g., 1+, 411. However, there is no option for restricting chargeable $.25 local calls in the tariff. These calls will be blocked where 1+ dialing is required but will not be blocked where only seven digits are required.

Time and Charges (T&C)

T&C can be provided where an entire toll band has the same rate; however, providing this service for specific routes within a band is not technically possible with current T&C equipment. Therefore, United will not be providing T&C on $.25 message routes that are not within the 0-10 mileage band.

PAY TELEPHONES

LEC Pay Telephones (LPATS)

Inter-NPA calls, e.g., Mt. Dora/Apopka, will be completed at the $.25 rate; however, the customer will dial 1+ ten digits. 0-/0+ (same NPA or different NPAs) will be handled the same as other operator handled local calls. For example, the charge for a customer-dialed credit card call would be $1.00, the $.25 local call plus the $.75 operator surcharge.

Intra-NPA routes will be seven-digit dialing where digital switching capability exists. Charges will be the same as for other local calls.

NonLEC Pay Telephones (NPATS)

Same as for LPATS except NPATS providers will collect the $.25, the PATS provider will be billed the local usage rate for seven-digit and 1+ ten-digit inter-NPA calls. For a credit card, third number or collect call, the LEC will bill the appropriate operator surcharge plus the $.25. The NPATS will not be charged local usage since the LEC will keep the $.25.

INTERCONNECTION OF MOBILE SERVICES

Mobile-to-Land

United's tariff rate for mobile-to-land traffic within a LATA is $.0382 per access minute for non-discounted usage, and $.0279 per access minute for discounted usage. These rates also apply for local interLATA mobile-to-land traffic.

Therefore, these usage rates are applicable to mobile-to-land traffic on the proposed $.25 routes.

Land-to-Mobile

Land-to-mobile intraLATA toll usage is billed to the landline subscriber, unless the mobile carrier elects to have these charges reverse-billed at the per access minute toll component usage rate in Section A25 of United's General Exchange Tariff.

On those routes where the $.25 Message Plan is implemented, the landline subscriber will be billed on all land-to-mobile calls. This will be consistent with the application of charges for SmallTalk usage as well. Thus, mobile carriers will not have the option of having these calls reverse-billed.

One Hour Time Limit

The Staff's recommendations also included a per call time limit of one hour for all non-residential customers. United assumes that the intent of this recommendation is to charge $.25 per hour rather than actually disconnecting the call after one hour of usage.

However, since United's toll billing system is not able to distinguish between messages originated from residential versus non-residential access lines, the per hour charge cannot be implemented on a selective basis. Therefore, if United is required to implement a $.25 per hour structure, it should be applied uniformly to all customer groups.

Telephone Directories

Implementation of this plan should not change the current distribution of telephone directories.

Directory Assistance

Directory assistance on these routes will be provided on a 411 basis. Southern Bell and United will need to exchange the data associated with the new intercompany route (Mt. Dora/Orlando). Different arrangements may be required if other telephone companies' service territories are involved.

Remote Call Forwarding (RCF)

The General Exchange Tariff states that "the subscriber to Remote Call Forwarding is responsible for all applicable local and long distance charges between the forwarding central office and the terminating station." The tariff also includes an additional provision for usage rating "when the central office which forwards the calls and the terminating station are in the same local calling area."

The usage charges provide a method to allow for the use of RCF service on a local basis and recover some of the revenues displaced where RCF is used in EAS configurations as an alternative to toll. Where RCF service is used on a $.25 route, the $.25 message rate would apply instead of the local usage rates. This is consistent with the application of toll charges associated with RCF service.

Bill Detail

In order for United to appropriately bill the $.25 message charge under the various scenarios, United will use its existing toll rating system to rate these calls. Because these calls will be processed by the system as toll calls, full message detail will be retained and printed on customers' bills. This will be true for seven-digit dialing as well as 1+; that is, the toll rating system will also be used to bill the seven-digit message rate calls.

Implementation

A. Kissimmee/Reedy Creek

Implementation on this route will require some billing system changes and switch translations to effect the seven-digit dialing. The necessary changes can be implemented within the six months proposed in the Staff Recommendation.

B. Implementation between the Mt. Dora exchange and the Apopka, Winter Park and Orlando exchanges would require billing system changes, switch translations and facilities additions. Due to a planned equal access conversion in the Mt. Dora switch, scheduled for December 7, 1991, it is not anticipated that these routes could be implemented prior to the first quarter of 1992. This would allow sufficient time to implement and test the changes subsequent to the equal access conversion and still be within the 12 months proposed in the Staff Recommendation.

Sincerely,

F. B. Poag/FLL

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FBP/ab

cc: R. Cimerman