

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 930239-TL
tariff filing to offer 800)
Database Service by BELLSOUTH)
TELECOMMUNICATIONS, INC. d/b/a)
SOUTHERN BELL TELEPHONE AND)
TELEGRAPH COMPANY.)

In Re: Request for approval of) DOCKET NO. 930351-TL
tariff filing to make rate and) ORDER NO. PSC-93-0751-FOF-TL
regulation changes designed to) ISSUED: 5/18/93
restructure the provision of 800)
access service by UNITED)
TELEPHONE COMPANY OF FLORIDA.)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON

ORDER APPROVING TARIFF FILINGS

BY THE COMMISSION:

I. BACKGROUND

On March 1, 1993, BellSouth Telecommunications, Inc. d/b/a/Southern Bell Telephone and Telegraph Company (Southern Bell) filed a tariff proposing to offer 800 Database Service. On March 29, 1993, United Telephone Company of Florida filed a tariff proposing to offer 800 Access Service. These tariffs would propose to alter the manner in which 800 Service will be provided.

Currently, 800 numbers are not transportable from one interexchange carrier (IXC) to another. When an 800 number call is placed, the originating local exchange company (LEC) switch examines the three numbers following the 800 prefix. Because these three numbers, or NXXs, are assigned to a specific carrier, the LEC then knows to which carrier the call is to be routed without having to examine any of the remaining numbers.

The NXX system of assignment of NXXs to specific carriers was developed following divestiture to enable carriers to enter into

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competition with AT&T. However, the FCC recognized that real competition could not develop until 800 numbers became truly portable. Consequently, the FCC instructed the LECs to develop the technology to enable portability. Southern Bell's and United's proposed tariffs provide 800 number portability. These filings also mirror these companies respective interstate tariffs.

800 number portability is of great concern because of the marketing value inherent in specific 800 numbers. The marketing value is due to the names, slogans or logos that can be generated from the alpha-numeric combinations of dialed 800 numbers. For example, Holiday Inns, Inc. utilizes 1-800-HOL-IDAY for its universal reservations number.

II. Southern Bell's Proposed 800 Database Service

800 Database Service is the umbrella under which two related services are offered, 10 Digit Screening Service and 800 Number Service. With 10 Digit Screening, Southern Bell examines the 10 digit 800 number and initiates a "query" to the Company's regional 800 database to determine to which carrier the call is to be routed. When the "query" is performed, the database sends back instructions such as whether the 800 number or the associated plain old telephone number (POTS number) is to be forwarded with the call.

The Company will have two regional 800 Service Databases, one in Birmingham and one in Atlanta. The service will be alternated between the two as needed.

800 Number service includes the performance of administrative functions such as establishing a customer's 800 number and establishing routing features. Southern Bell has proposed four features: 1) translating and forwarding the POTS number with simple routing; 2) translating and forwarding the POTS number with complex routing; 3) forwarding the 800 number with simple routing; and 4) forwarding the 800 number with complex routing. An example of simple routing would be for all calls to be carried by a single carrier regardless of the geographic location of the call or the time of day. Complex routing is the ability to route calls to different carriers based on the time of day and from what LATA the call originates.

The Company proposes both usage charges and non-recurring charges. To obtain routing instructions, a query of the 800 database must be performed. Southern Bell proposes recurring rates for each query varying according to the routing complexity. For simple routing, regardless of which type number is being forwarded, the rate is \$.004 per query. For complex routing, regardless of which type number is being forwarded, the rate is \$.0045 per query.

Non-recurring rates are proposed for such services as 800 number reservation, establishment of an 800 number with either 800 number delivery or POTS number delivery, Customized area of service arrangements, multiple carrier routing, and call handling and destination features.

The cost support provided by the Company indicates that these rates cover relevant costs.

Southern Bell's proposed tariff allows customers to "carry" their 800 number with them when changing carriers. The local level functions needed for the system to work will be provided by the Company. We note that, while this filing is Florida-specific, it also requires national support from the Service Management System, a single main national database system which updates the regional databases at scheduled intervals. The national system, to be operated by a third party, is located in St. Louis with a back-up system in Kansas City.

In conjunction with its proposed tariff, Southern Bell has also asked to eliminate its current 800 NXX Service upon its proposed 800 Database Service becoming effective. With portability in place, there would be no reason for assignment of specific codes to specific carriers. To continue assignment would eliminate the portability of a number.

III. United's Proposed Restructure of 800 Access Service

United also proposes to restructure its existing 800 Access Service, including the elimination of its NXX system. The service will use United's dedicated common channeling signaling (CCS) network and 800 database to perform the 800 database query to route 800 calls to the 800 end user customer's prespecified IXC. United will deploy its regional 800 databases in Johnson City and Bristol, Tennessee. United's restructured 800 Access Service, will function similarly to Southern Bell's discussed above. All 800 calls

originating in United's service area will be queried. In response to this query, the 800 database will provide routing instructions based on ten digit screening which identify the interexchange carrier selected by the end user customer to carry all or portions of that end user customer's 800 calls.

Two optional features are being introduced as a part of this filing: 800 to POTS number translation and customized 800 call routing. 800 to POTS translation allows 800 Access Service customers to specify particular POTS numbers as well as the IXC for 800 call completion at the terminating end.

Customized 800 Call Routing allows an 800 Access Service customer to specify different carriers or terminating locations for 800 call completion based on any combination of time of day, day of week, specific days of the year, percentage of traffic or calling telephone number. With this option, 800 calls can be delivered to the carrier in either the direct dialed 800 number format or in the local exchange number translated format.

United is restructuring an existing service unlike Southern Bell which is offering a new service. NXX rates are being removed, and only the recurring query rates are proposed. These are \$.008037 for the query and, when a combination of one or more 800 optional features is used, an additional \$.001344 is applied. The company's cost support indicates these rates cover relevant costs.

IV. Conclusion

End user customers will benefit from the increase in competition afforded by portability. Theoretically, as competition increases prices will be driven closer to cost. However, according to some IXCs, 800 database services (this term is used for all of the services discussed above) may cost them more than the current NXX service. This is because rates are charged for each query of the database and, in some cases, a potentially large number of queries may be performed during a billing period. Consequently, it is possible that 800 services will increase in price due to the IXCs passing on the additional costs.

The advantages of portability will increase competition among carriers which should, theoretically, drive prices down. While recognizing the potential increase in 800 rates mentioned above, it appears that the increased competition will offset the impetus to

raise rates. Finally, this Commission and the FCC have been awaiting portability. This will remove one of the few remaining obstacles to competition in the 800 Service market. Accordingly, we find that the respective tariffs filed by Southern Bell and United to provide 800 database service should be approved with the companies' requested effective date of May 1, 1993. We also find it appropriate to approve Southern Bell's request to eliminate its 800 NXX Service coincident with its implementation of its 800 Database Service.

V. Other LECs Plans to Offer 800 Number Portability

Of the large LECs that have not yet proposed to offer 800 number portability, both GTE Florida, Incorporated (GTEFL) and Central Telephone Company of Florida (Centel) have been contacted by our Staff regarding the plans to provide 800 portability service (10 digit screening). Centel has responded that it has been delayed due to the purchase of the company by Sprint and the subsequent combining of departments, but is working on it.

GTEFL has raised concerns regarding whether its system will be solely interstate in nature. At this point, GTEFL has not yet announced any plans to provide ten digit screening on an intrastate basis.

If 800 number portability is to work, all companies must offer 10 digit screening. Therefore, we find it appropriate to require GTEFL and Centel to file tariffs offering 10 digit screening. This will better disseminate the availability and benefits of 800 number portability.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the BellSouth Telecommunications, Inc. d/b/a/ Southern Bell Telephone and Telegraph Company's (Southern Bell's) tariff proposing to offer 800 Database Service is approved as set forth in the body of this Order. It is further

ORDERED that Southern Bell's request to eliminate its 800 NXX Service coincident with the implementation of its 800 Database Service is approved as set forth in the body of this Order. It is further

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ORDERED that United Telephone Company of Florida's tariff proposing to offer 800 Access Service is approved as set forth in the body of this Order. It is further

ORDERED that these tariffs should become effective May 1, 1993. It is further

ORDERED that if a timely protest is filed to either of these tariffs, the tariffs shall remain in effect with any revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, these dockets should be closed.

ORDERED that GTE Florida, Incorporated and Central Telephone Company of Florida shall file tariffs to offer 800 number portability as set forth in the body of this Order.

By ORDER of the Florida Public Service Commission, this 18th day of May, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 June 8, 1993.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 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 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 date this Order becomes final, 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.