BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

UED: May 28, 1993

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

I. BACKGROUND

On April 9, 1993, Central Telephone Company of Florida (Centel) filed a tariff proposing to offer 800 Database Query Service. This tariff proposes 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 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. Centel's proposed tariff will provide 800 number portability. This filing also mirrors this company's interstate tariff.

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

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example, Holiday Inns, Inc. utilizes 1-800-HOL-IDAY for its universal reservations number.

II. Centel's Proposed 800 Database Query Service

Centel's 800 Data Base Query Service is designed to replace the 800 NXX routing method. It will use Centel's dedicated SS7 signaling network to perform the 800 Customer Identification Function, utilizing 800 data bases to route 800 calls to the 800 end user customer's IXC of choice. Centel has contracted with Independent Telecommunication Network, Inc. (ITN) to provide the signaling links connecting these various network signaling elements, and the actual 800 data bases. For efficiency, performance, redundancy, and network integrity, Centel will also utilize certain Sprint/United facilities.

With 800 Data Base Query Service, the Company will perform 10 digit screening. With this screening, Centel 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.

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.

Centel proposes rates of \$.01623 for the basic query and an additional \$.00137 when a combination of one or more 800 optional features is used. The rates are the same as Centel's interstate rates. The proposed rates are approximately twice as high as United's and approximately 4 times higher than Southern Bell's. The Company reports that the revenue effect of this filling will be

"deminimus" because rates are set at the charges it will be paying to ITN and Sprint/United, plus the charges it estimates it will incur for queries that do not have an identified carrier. The Company indicates these rates cover incremental costs.

Based on a review of the information it appears that end use 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, 10 digit screening services may cost them more because rates are charged for each query of the database as well as the charges they pay for access. Consequently, it is possible that 800 services will increase in price due to the IXCs passing on the additional costs.

Upon consideration, we find that Centel's 800 Database Query Service tariff should be approved as filed, effective May 4, 1993. The advantages of portability will increase competition among carriers which should, theoretically, drive prices down. While query charges are in addition to access charges, it appears that the potential increased competition may offset the impetus to raise rates. Finally, this Commission and the FCC have been awaiting portability as a method to remove one of the greatest obstacles to competition in the 800 market.

In conjunction with its proposed tariff, Centel has also asked to eliminate its current 800 NXX Service upon its proposed 800 Database Query 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. We also find it appropriate to approve Centel's request to eliminate its 800 NXX Service coincident with the implementation of its 800 Database Service.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Central Telephone Company of Florida's tariff proposing to offer 800 Database Query Service is approved as set forth in the body of this Order. It is further

ORDERED that this tariff shall 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.

By ORDER of the Florida Public Service Commission this 28th 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 18, 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.