

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

July 21, 1994

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [SHELFER, WIDELL] *OWS Row*
DIVISION OF LEGAL SERVICES [CANZANO] *TR*

RE : DOCKET NO. 921193-TL - RESOLUTION BY THE PALM BEACH
COUNTY BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA
SERVICE BETWEEN ALL EXCHANGES IN PALM BEACH COUNTY.

AGENDA: AUGUST 2, 1994 - REGULAR - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:PSC\CMU\WP\921193.RCM

CASE BACKGROUND

EXCHANGE INFORMATION:

- This docket was initiated pursuant to a resolution filed by the Palm Beach County Board of County Commissioners on November 20, 1992, requesting extended area service (EAS) between all exchanges in Palm Beach County. Southern Bell provides service to the West Palm Beach, Belle Glade, Boca Raton, Boynton Beach, Delray Beach, Jupiter and Pahokee exchanges, which are located in the Southeast LATA (Local Access Transport Area). United Telephone provides service to the Clewiston exchange, which is located in the Fort Myers Market Area.

PERTINENT ORDERS:

- By Order No. PSC-93-0029-PCO-TL, issued January 6, 1993, the Commission required BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell) and United Telephone Company of Florida (United) to conduct traffic studies on the Palm Beach County routes.

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- By Order No. PSC-93-0321-PCO-TL, issued March 2, 1993, Order No. PSC-93-0029-PCO-TL, was reissued to ensure adequate notice to United since it was inadvertently left off of the mailing list for this docket and was not furnished a copy of the order at the time it was issued.
- By Order No. PSC-93-0764-PCO-TL, issued May 20, 1993, the Commission granted Southern Bell's second Motion for Extension of Time and found the first Motion for Extension of Time moot.
- By Order No. PSC-93-1043-CFO-TL, issued July 19, 1993, the Commission granted United confidential treatment of its interLATA traffic data.
- By Order No. PSC-93-1042-CFO-TL and PSC-93-1043-CFO-TL, issued July 19, 1993, the Commission granted Southern Bell and United's requests for confidential treatment of the intraLATA and interLATA traffic data filed by the companies in this docket.
- By Order No. PSC-93-1168-FOF-TL, issued August 10, 1993, the Commission partially modified Order No. PSC-93-0029-PCO-TL, which required Southern Bell to file traffic studies on specific interLATA routes. This Order relieved Southern Bell from the requirement of providing traffic data on interLATA routes in this docket (this only involved calls into the Clewiston exchange).
- By Order No. PSC-93-1828-FOF-TL, issued December 27, 1993, the Commission required Southern Bell to survey the Belle Glade, Boca Raton, Delray Beach and Pahokee exchanges for nonoptional, two-way flat rate EAS to the West Palm Beach exchange, and the Boynton Beach exchange for nonoptional, two-way, flat rate EAS to the Boca Raton exchange. Subscribers were to be balloted at rates which included 25% of Southern Bell's toll loss, in addition to the 25/25 additive and regrouping.
- On January 10, 1994, Southern Bell filed a Notice of Modification to the traffic studies. The Company states that erroneous revenue information was provided in the traffic study for three routes (Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, and Pahokee/West Palm Beach).
- On February 24, 1994, staff filed a recommendation to amend the additives for the effected routes.

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- At the March 8, 1994 agenda, the Commissioners voted to remove the 25% toll recovery additives and survey the Belle Glade, Boca Raton, Boynton Beach, Delray Beach and Pahokee exchanges using the 25/25 additive and regrouping only.
- By Order No. PSC-94-0318-CFO-TL, issued March 21, 1994, the Commission granted Southern Bell confidential treatment of its modified intraLATA traffic data.
- By Order No. PSC-94-0327-TL, issued March 23, 1994, the Commission reordered Southern Bell to survey the Belle Glade, Boca Raton, Delray Beach and Pahokee exchanges for nonoptional, two-way flat rate EAS to the West Palm Beach exchange, and the Boynton Beach exchange for nonoptional, two-way, flat rate EAS to the Boca Raton exchange. Because of modifications Southern Bell made to its traffic studies, the toll revenue per message was reduced. This resulted in a reduction in the 25% toll recovery additive for the Belle Glade, Delray Beach and Pahokee exchanges. Upon further review, the Commission withdrew Order No. PSC-93-1828-PCO-TL, which included rates which were based on erroneous information. Subscribers were to be balloted at rates which included a 25/25 additive plus regrouping.
- This recommendation reports the outcome of the five surveys.

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DISCUSSION OF ISSUES

ISSUE 1: Based on the results of the survey, should the Commission order the implementation of nonoptional, flat rate, two-way EAS on the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach and/or the Boynton Beach/Boca Raton routes?

RECOMMENDATION: No. Based on Rule 25-4.063(6), Florida Administrative Code, the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes did not meet the survey requirements and do not qualify for nonoptional, two-way, flat rate EAS.

STAFF ANALYSIS: The result of the surveys are listed below in Tables A-F by route.

TABLE A
BOCA RATON/WEST PALM BEACH SURVEY RESULTS

	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	107,544	100.00%	
Ballots Returned	50,103	46.59%*	100.00%
For EAS	17,534		35.00%**
Against EAS	32,115		64.10%
Invalid	454		.90%

* Rule requires 40% of the ballots mailed must be returned.

** Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority).

Rule 25-4.063(6), Florida Administrative Code, requires a majority of all respondents in each exchange to vote favorably and at least 40% of all ballots sent must be returned. Of the ballots mailed, 46.59% were returned and 64.10% of those ballots returned voted against EAS. Therefore, based on the Rule, the Boca Raton/West Palm Beach route did not pass the survey and does not qualify for nonoptional, flat rate, two-way EAS.

**TABLE B
 DELRAY BEACH/WEST PALM BEACH SURVEY RESULTS**

	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	54,156	100.00%	
Ballots Returned	30,029	55.45%*	100.00%
For EAS	8,732		29.08%**
Against EAS	20,944		69.75%
Invalid	353		1.18%

* Rule requires 40% of the ballots mailed must be returned.

** Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority).

Rule 25-4.063(6), Florida Administrative Code, requires a majority of all respondents in each exchange to vote favorably and at least 40% of all ballots sent must be returned. Of the ballots mailed, 55.45% were returned and 69.75% of those ballots returned voted against EAS. Therefore, based on the Rule, the Delray Beach/West Palm Beach route did not pass the survey and does not qualify for nonoptional, flat rate, two-way EAS.

**TABLE C
 BELLE GLADE/WEST PALM BEACH SURVEY RESULTS**

	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	7,335	100.00%	
Ballots Returned	1,810	24.68%*	100.00%
For EAS	1,232		68.07%**
Against EAS	560		30.93%
Invalid	18		.99%

• Rule requires 40% of the ballots mailed must be returned.

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** Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority).

Rule 25-4.063(6), Florida Administrative Code, requires a majority of all respondents in each exchange to vote favorably and at least 40% of all ballots sent must be returned. Of the ballots mailed, only 24.68% were returned. Since the Belle Glade/West Palm Beach route did not meet the required 40% ballots returned, this route does not qualify for nonoptional, flat rate, two-way EAS.

TABLE D
PAHOKEE/WEST PALM BEACH SURVEY RESULTS

	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	2,939	100.00%	
Ballots Returned	820	27.90%*	100.00%
For EAS	411		50.12%**
Against EAS	399		48.67%
Invalid	10		1.22%

• Rule requires 40% of the ballots mailed must be returned.

** Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority).

Rule 25-4.063(6), Florida Administrative Code, requires a majority of all respondents in each exchange to vote favorably and at least 40% of all ballots sent must be returned. Of the ballots mailed, only 27.90% were returned. Since the Pahokee/West Palm Beach route did not meet the required 40% ballots returned, this route does not qualify for nonoptional, flat rate, two-way EAS.

TABLE E
BOYNTON BEACH/BOCA RATON SURVEY RESULTS

	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	47,937	100.00%	
Ballots Returned	24,459	51.02%*	100.00%
For EAS	6,328		25.87%**
Against EAS	17,902		73.27%
Invalid	229		.94%

* Rule requires 40% of the ballots mailed must be returned.

** Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority).

Rule 25-4.063(6), Florida Administrative Code, requires a majority of all respondents in each exchange to vote favorably and at least 40% of all ballots sent must be returned. Of the ballots mailed, 51.02% were returned and 73.27% of those ballots returned voted against EAS. Therefore, based on this Rule the Boynton Beach/Boca Raton route did not pass the survey and does not qualify for nonoptional, flat rate, two-way EAS.

It should be noted that since the EAS rule change of October 5, 1992, which required that at least 40% of ballots mailed be returned, the Commission has not had any ballots fail because the 40% requirement was not met. However, there are two routes in this docket (Belle Glade/West Palm Beach and Pahokee/West Palm Beach) which did fail the survey because of an insufficient number of returned ballots. In both cases, of the ballots returned, a majority of respondents voted in favor of nonoptional, two-way, flat rate EAS.

Based on Rule 25-4.063(6), Florida Administrative Code, the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes did not meet the survey requirements and do not qualify for nonoptional, two-way, flat rate EAS.

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ISSUE 2: Should an alternative plan be offered on the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes?

RECOMMENDATION: No. No determination should be made on the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes at this time. After the conclusion of the EAS rule revision docket, staff will bring a recommendation before the Commission regarding an alternative toll plan for these routes.

STAFF ANALYSIS: Since staff is currently revising the EAS rules, which include criteria for alternative toll plans, staff proposes that no determination should be made on these five routes until after the conclusion of the new EAS rules. This is consistent with past Commission action regarding routes that did not pass the balloting for nonoptional, two-way, flat rate EAS (930236-TL Marion County).

Staff recommends that no determination should be made on the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes at this time. After the conclusion of the EAS rule revision docket, staff will bring a recommendation before the Commission regarding an alternative toll plan for these routes.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No, this docket should remain open until after the conclusion of the EAS rule revision docket (930220-TL). At that time, staff will bring a recommendation before the Commission regarding an alternative toll plan for the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes.

STAFF ANALYSIS: No, this docket should remain open until after the conclusion of the EAS rule revision docket (930220-TL). At that time, staff will bring a recommendation before the Commission regarding an alternative toll plan for the Boca Raton/West Palm Beach, Belle Glade/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and the Boynton Beach/Boca Raton routes.