

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

**M E M O R A N D U M**

March 7, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (SHELPER, WIDELL) *Raw*  
DIVISION OF LEGAL SERVICES (CANZANO, BARONE) *JA*

RE: DOCKET NO. 870248-TL - HOLMES COUNTY BOARD OF COUNTY  
COMMISSIONERS FOR EXTENDED AREA SERVICE IN HOLMES COUNTY,  
FLORIDA.

DOCKET NO. 870790-TL - REQUEST BY GILCHRIST COUNTY  
COMMISSIONERS FOR EXTENDED AREA SERVICE THROUGHOUT  
GILCHRIST COUNTY.

DOCKET NO. 900039-TL - RESOLUTION BY THE ORANGE COUNTY  
BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE  
BETWEEN THE MOUNT DORA EXCHANGE AND THE APOPKA, ORLANDO,  
WINTER GARDEN, WINTER PARK, EAST ORANGE, REEDY CREEK,  
WINDERMERE, AND LAKE BUENA VISTA EXCHANGES.

DOCKET NO. 910022-TL - RESOLUTION BY BRADFORD COUNTY  
COMMISSION REQUESTING EXTENDED AREA SERVICE WITHIN  
BRADFORD COUNTY AND BETWEEN BRADFORD COUNTY, UNION COUNTY  
AND GAINESVILLE.

DOCKET NO. 910029-TL - REQUEST BY VOLUSIA COUNTY COUNCIL  
FOR EXTENDED AREA SERVICE BETWEEN THE SANFORD EXCHANGE  
(OSTEEN AND DELTONA) AND THE ORANGE CITY AND DELAND  
EXCHANGES.

DOCKET NO. 910528-TL - REQUEST BY PUTNAM COUNTY BOARD OF  
COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN  
THE CRESCENT CITY, HAWTHORNE, ORANGE SPRINGS, AND MELROSE  
EXCHANGES, AND THE PALATKA EXCHANGE.

DOCKET NO. 910529-TL - REQUEST BY PASCO COUNTY BOARD OF  
COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN  
ALL PASCO COUNTY EXCHANGES.

DOCKET NO. 911185-TL - REQUEST FOR EXTENDED AREA SERVICE  
BETWEEN ALL EXCHANGES WITHIN VOLUSIA COUNTY BY VOLUSIA  
COUNTY COUNCIL.

DOCUMENT NUMBER-DATE

02826 MAR-7 96

FPSC-RECORDS/REPORTING

DOCKET NOS. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL,  
910528-TL, 910529-TL, 911185-TL, 920642-TL, 921193-TL, 930172-TL,  
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DOCKET NO. 920642-TL - RESOLUTION BY CITY COUNCIL OF PORT RICHEY FOR EXTENDED AREA SERVICE BETWEEN THE HUDSON EXCHANGE AND THE TARPON SPRINGS, CLEARWATER, ST. PETERSBURG AND TAMPA EXCHANGE; ALSO BETWEEN THE NEW PORT RICHEY AND CLEARWATER, ST. PETERSBURG AND TAMPA EXCHANGES.

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

DOCKET NO. 930172-TL - PETITION BY RESIDENTS OF BOCA GRANDE REQUESTING EXTENDED AREA SERVICE (EAS) BETWEEN BOCA GRANDE AND NORTH FT. MYERS, NORTH PORT, VENICE, ENGLEWOOD, PINE ISLAND, NORTH CAPE CORAL AND CAPE CORAL.

DOCKET NO. 930235-TL - RESOLUTION BY THE TAYLOR COUNTY BOARD OF COMMISSIONERS FOR COUNTYWIDE EXTENDED AREA SERVICE (EAS) WITHIN TAYLOR COUNTY.

AGENDA: MARCH 19, 1996 - REGULAR AGENDA - PROPOSED AGENCY ACTION [EXCEPT ISSUE 3] - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\870790TL.RCM

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#### CASE BACKGROUND

- At the November 20, 1995 agenda conference, the Commission deferred action on these EAS dockets involving interLATA routes. BellSouth, United and ALLTEL expressed concern with specific aspects of staff's proposed modified extended calling service (MECS) plan. The Commission directed staff and the affected local exchange companies (LECs) to meet and resolve these problems.
- On January 23, 1996, staff held a workshop to discuss the proposed MECS plan. As a result of the workshop, staff, BellSouth, United, ALLTEL, GTEFL and a representative from Taylor County resolved the majority of concerns. Public Counsel also attended the workshop.

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- On February 8, 1996, the Telecommunications Act of 1996 became effective. This law removes the interLATA prohibitions for GTEFL, and allows BellSouth entry into the interLATA market after Federal Communication Commission (FCC) approval.
- Based on the new federal law, it does not appear necessary to require an additive and to ballot these interLATA routes. Instead staff believes extended calling service (ECS) is appropriate. ECS rates residential calls at \$.25 per call regardless of duration, and rates business calls at \$.10 for the first minute and \$.06 for each additional minute. Therefore, this recommendation is significantly different from the one presented at the November 20, 1995 agenda conference.
- This recommendation will address the last of the EAS dockets which were delayed due to the EAS rulemaking docket (930220-TL), and the interLATA routes that have either been denied by Judge Greene of the United States District Court of Appeals or are pending a decision from Judge Greene.

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### HISTORY

- On May 18, 1993, Judge Greene of the United States District Court for the District of Columbia rejected Southern Bell's request for waiver of its Modified Final Judgment (MFJ) to implement the \$.25 plan on specific interLATA routes.
- On December 22, 1993, the United States District Court for the District of Columbia rejected GTEFL's request for a waiver of its federal consent decree to implement extended calling service (ECS) on specific interLATA routes.
- The court denied the requests for waiver to implement the \$.25 plan or ECS on these interLATA routes because an insufficient community of interest had been demonstrated. The court further stated that if the requisite community of interest between the exchanges is lacking, the court cannot under the decree permit such LATA boundary expansions. Such arrangements are merely discounted toll rates and thus anti-competitive. The court also noted that once sufficient communities of interest between these areas develop, non-optional EAS plans may be appropriate.
- Given Judge Greene's decision denying BellSouth's and GTEFL's requests to carry interLATA traffic, the Commission directed staff to consider other alternatives that would be acceptable to the court. Staff held several rulemaking workshops involving local exchange companies, interexchange carriers, and county representatives to review and propose modifications to the EAS rules, which included developing an appropriate interLATA alternative plan.
- Once staff had developed a plan that we believed would meet Judge Greene's concerns and meet the needs of the customers, staff sent a draft of the proposed plan to the Department of Justice (DOJ) for its review. Staff also met with the DOJ and received favorable feedback on the proposed plan. Because of revisions to Chapter 364, Florida Statutes, by Chapter 95-403, Laws of Florida, the proposed EAS rules docket was closed.
- Using the proposed EAS rules as a guide, staff developed a modified extended calling service (MECS) plan for interLATA routes involving GTEFL and BellSouth, which was deferred from the November 20, 1995 agenda conference.

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**PERTINENT ORDERS**

- By Order No. PSC-93-1175-FOF-TL, issued August 10, 1993, the Commission granted Southern Bell and the other involved local exchange companies (Centel, ALLTEL, GTEFL and United) relief from implementing the \$.25 plan on 36 interLATA routes (Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, and 910529-TL).
- By Order No. PSC-94-0682-FOF-TL, issued June 6, 1994, the Commission granted GTEFL and Southern Bell relief from implementing the \$.25 plan on two interLATA routes (Docket No. 910529-TL).

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**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission, based on its previous actions in Docket Nos. 910529-TL and 920642-TL, require extended calling service (ECS) to be implemented on the routes listed in Table A?

**TABLE A**

FROM (1)	TO (2)	DOCKET NO.	LOCAL EXCHANGE COMPANY (S) INVOLVED
Dade City*	Tampa-North	910529-TL**	United and GTEFL
San Antonio*	Tampa-North	910529-TL	United and GTEFL

\* The Dade City and San Antonio to Tampa-North routes were also identified as warranting interLATA toll relief in Docket No. 920642-TL. These routes will be addressed in Docket 910529-TL.

\*\* The Hudson/Brooksville route will be addressed in Issue 2 since it involves BellSouth.

**RECOMMENDATION:** Yes, ECS should be implemented on the routes listed in Table A. Residential customers should pay \$.25 per call regardless of duration, and business calls on these routes should be rated at \$.10 for the first minute and \$.06 for each additional minute. ECS should be implemented on these routes as soon as possible, but not to exceed six months from the issuance date of the order from this recommendation.

Pay telephone providers will charge end users \$.25 per message and pay the standard measured interconnection usage charge.

Interexchange carriers (IXCs) may continue to carry the same types of traffic on these routes that they are now authorized to carry.

**STAFF ANALYSIS:** The routes being addressed in this issue involve local exchange companies (LECs) other than BellSouth.

By Order No. PSC-92-0158-FOF-TL, in Docket No. 910529-TL (EAS - Countywide calling within Pasco County), issued April 6, 1992, the Commission ordered extended calling service (ECS) on eight routes, three of which were interLATA involving GTEFL or BellSouth. At the time this Order was issued, GTEFL was required under its consent decree to seek a waiver from the Department of Justice (DOJ) to carry interLATA traffic. The United States

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District Court for the District of Columbia rejected GTEFL's request to implement ECS on these interLATA routes.

By Order No. PSC-03-1524-FOF-TL, in Docket No. 920642-TL (Request by New Port Richey for EAS to specific exchanges and Countywide calling within Pasco County), issued October 18, 1993, the Commission found it appropriate that no action be taken at that time on the San Antonio/Tampa-Central and Dade City/Tampa-Central routes. The Order further stated that these routes would be reevaluated once an acceptable interLATA solution was developed.

On February 8, 1996, the Telecommunications Act of 1996 became effective. Because this law apparently removes the interLATA prohibition for GTEFL, ECS can be implemented on the routes listed in Table A. By its own orders, the Commission has determined that these routes warrant ECS. It was only the federal interLATA prohibition for GTEFL that prevented these routes from being implemented as ordered. Now that these prohibitions apparently have been removed, staff believes it is appropriate that ECS be implemented on the routes.

Staff also believes it is appropriate to allow interexchange carriers (IXCs) to continue to carry the same types of traffic on these routes that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 15, 1994, in Docket No. 911034-TL (Request by the Broward County Commission for EAS between Fort Lauderdale, Hollywood, North Dade and Miami).

Staff recommends that ECS be implemented on the routes listed in Table A. Residential customers should pay \$.25 per call regardless of duration, and business calls on these routes should be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers will charge end users \$.25 per message and pay the standard measured interconnection usage charge. Interexchange carriers (IXCs) may continue to carry the same types of traffic on these routes that they are now authorized to carry. ECS should be implemented on these routes as soon as possible but not to exceed six months from the issuance date of the order from this recommendation.

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**ISSUE 2:** Should the Commission, based on its previous actions in Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL, 911185-TL, 921193-TL, 930172-TL, and 930235-TL, require extended calling service (ECS) to be implemented on the routes listed in Table B?

**TABLE B**

FROM	TO	DOCKET NO.	LOCAL EXCHANGE COMPANY (IES) INVOLVED
Graceville	Ponce Deleon	870248-TL	Centel and Southern Bell
Graceville	Defuniak Springs	870248-TL	Centel and Southern Bell
Sanford	Deland	910029-TL	Southern Bell
Mt. Dora	Orlando	900039-TL	United and Southern Bell
Trenton	Branford	870790-TL	Southern Bell and ALLTEL
Trenton	High Springs	870790-TL	Southern Bell and ALLTEL
Lawtey	Gainesville	910022-TL	Centel and Southern Bell
Raiford	Gainesville	910022-TL	ALLTEL and Southern Bell
Starke	Gainesville	910022-TL	Centel and Southern Bell
Hawthorne	Interlachen	910528-TL	Southern Bell and ALLTEL
Hawthorne	Palatka	910528-TL	Southern Bell and ALLTEL
Keystone Heights	Palatka	910528-TL	Southern Bell
Keystone Heights	Interlachen	910528-TL	Southern Bell and ALLTEL
Keystone Heights	Florahome	910528-TL	Southern Bell and ALLTEL
Melrose	Palatka	910528-TL	ALLTEL and Southern Bell

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FROM	TO	DOCKET	LOCAL EXCHANGE COMPANY (IES) INVOLVED
Orange Springs	Palatka	910528-TL	ALLTEL and Southern Bell
Hudson	Brooksville	910529-TL	GTEFL and Southern Bell
DeBary	Daytona Beach	911185-TL	Southern Bell
DeBary	New Smyrna Bch	911185-TL	Southern Bell
DeBary	DeLeon Springs	911185-TL	Southern Bell
DeBary	Oak Hill	911185-TL	Southern Bell
DeBary	Pierson	911185-TL	Southern Bell
Orange City	Daytona Beach	911185-TL	United and Southern Bell
Orange City	New Smyrna Bch	911185-TL	United and Southern Bell
Orange City	Oak Hill	911185-TL	United Southern Bell
Orange City	Pierson	911185-TL	United and Southern Bell
Orange City	DeLeon Springs	911185-TL	United and Southern Bell
Sanford	Daytona Beach	911185-TL	Southern Bell
Sanford	DeLeon Springs	911185-TL	Southern Bell
Sanford	New Smyrna Bch	911185-TL	Southern Bell
Sanford	Oak Hill	911185-TL	Southern Bell
Sanford	Pierson	911185-TL	Southern Bell
Clewiston	Belle Glade	921193-TL	United and Southern Bell
Boca Grande	Englewood	930172-TL	United and GTEFL

**RECOMMENDATION:** Yes, ECS should be implemented on the routes listed in Table B. Residential customers should pay \$.25 per call regardless of duration, and business calls on these routes should be rated at \$.10 for the first minute and \$.06 for each additional minute. BellSouth should begin seeking approval from the Federal Communications Commission (FCC) to carry this interLATA traffic.

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Once the FCC has made its determination, BellSouth should notify the Commission, so appropriate action can be taken.

**STAFF ANALYSIS:** The routes being addressed in this issue involve BellSouth.

The Commission has determined by its own orders that the routes listed in Table B warrant toll relief. At the time the orders were issued in these dockets, BellSouth was required under its Modified Final Judgment (MFJ) to seek a waiver from the Department of Justice (DOJ) to carry interLATA traffic. The United States District Court for the District of Columbia rejected BellSouth's request to implement \$.25 calling on these specific routes in Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, and 910529-TL. BellSouth also filed a waiver request for Docket No. 911185-TL but to date no decision had been made. The remaining dockets (921193-TL, 930172-TL, and 930235-TL) contain routes the Commission has identified as warranting some form of toll relief, but were pending the development of an alternative toll plan that would be acceptable to the DOJ.

On February 8, 1996, the Telecommunications Act of 1996 became effective. This law allows BellSouth entry into the interLATA market after Federal Communication Commission (FCC) approval. Therefore, staff believes it is appropriate for BellSouth to begin seeking approval from the Federal Communications Commission (FCC) to carry this interLATA traffic.

By its own orders, the Commission has determined that these interLATA routes warrant toll relief. Because of past interLATA prohibitions on BellSouth, the routes in Table B have not been implemented. The Commission disagreed with Judge Greene's decision to deny the \$.25 plan on these routes and still does. Under the guidelines of the Telecommunications Act of 1996, it appears that BellSouth can carry this interLATA traffic if specific criteria are met, subject to FCC approval.

Staff recommends that ECS be implemented on the routes listed in Table B. Residential customers should pay \$.25 per call regardless of duration, and business calls on these routes should be rated at \$.10 for the first minute and \$.06 for each additional minute. BellSouth should immediately begin seeking approval from the Federal Communications Commission (FCC) to carry this interLATA traffic. Once the FCC has made its determination, BellSouth should notify the Commission, so appropriate action can be taken.

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**ISSUE 3:** Should the Commission set Docket No. 930235-TL (Taylor County) for hearing?

**RECOMMENDATION:** Yes. Staff recommends that this docket be set for hearing so community of interest criteria other than toll traffic data may be presented and considered.

**STAFF ANALYSIS:** This EAS request is different from the others being presented in this recommendation because no determination has been made that these routes warrant any form of toll relief.

This EAS request involves countywide calling within Taylor County. The routes involved are interLATA pocket situations which involve BellSouth and Gulf Telephone. These Taylor County customers are served by BellSouth from the Cross City exchange, which is primarily located in Dixie County. The Taylor County portion of the Cross City exchange cannot call their county seat, Perry, toll-free. Staff does not have the traffic data from the Cross City exchange or Cross City (Taylor County pocket) into the Perry and Keaton Beach exchanges to make a recommendation regarding whether these routes warrant any form of toll relief.

By Order No. PSC-93-1168-FOF-TL, issued August 10, 1993, the Commission granted BellSouth relief from filing interLATA traffic studies on the routes in this docket. BellSouth stated that it no longer performs the recording and rating of interLATA traffic for AT&T; therefore, it no longer had the data, or access to it. Gulf provided traffic studies on its interLATA routes, which did not support an alternative toll plan.

Historically, the Commission has determined a community of interest based on the toll volumes between exchanges. The Commission has also considered whether the area has toll-free access to its county seat. This case is unique in that it involves a pocket that cannot call its county seat, and we cannot obtain the toll information in the required format to make a community of interest determination. Because these routes involve a county that is not only split by an exchange but also a LATA boundary (local access and transport area), staff is limited in its options.

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Staff believes that this docket should be set for hearing to give the parties an opportunity to present community of interest criteria. This will give the Commission an opportunity to consider community of interest information that otherwise would not be present in this case. This is consistent with the Commission decision in Docket Nos. 941281-TL (EAS - Groveland to Orlando) and 930173-TL (EAS - Polo Park). Therefore, staff recommends that this docket be set for hearing so community of interest criteria other than toll traffic may be presented and considered.

**ISSUE 4:** Should any of the dockets in this recommendation be closed?

**RECOMMENDATION:** If no person whose substantial interests are affected files a protest for Issues 1 and 2 within 21 days of the issuance date of the order from this recommendation, the order shall become final. A protest of the decision in one docket does not prevent the decision in the other dockets from becoming final. If no timely protest is received, Docket No. 920642-TL should be closed. The other dockets should remain open.

**STAFF ANALYSIS:** If no person whose substantial interests are affected files a protest for Issues 1 and 2 within 21 days of the issuance date of the order from this recommendation, the order shall become final. A protest of the decision in one docket does not prevent the decision in the other dockets from becoming final. If no timely protest is filed, Docket No. 920642-TL should be closed. The other dockets should remain open.