

FLORIDA PUBLIC SERVICE COMMISSION  
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**M E M O R A N D U M**

January 8, 1998

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

FROM: DIVISION OF APPEALS (CALDWELL) *Quercus*  
DIVISION OF COMMUNICATIONS (MARSH) *ant*  
DIVISION OF RESEARCH & REGULATORY REVIEW (LEWIS) *HLZ J. H. S.*

RE: DOCKET NO. 980037-TP - PROPOSED AMENDMENTS TO RULE 25-4.160, F.A.C., OPERATION OF TELECOMMUNICATIONS RELAY SERVICE; RULE 25-24.585, F.A.C., RECORDS AND REPORTS; RULES INCORPORATED; RULE 25-24.825, F.A.C., PRICE LIST; AND RULE 25-24.835, F.A.C., RECORDS AND REPORTS; RULES INCORPORATED

AGENDA: JANUARY 20, 1998 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: S:\PSC\APP\WP\980037.RCM

**CASE BACKGROUND**

By rules, the Commission implements Part II of Chapter 427, Florida Statutes, relating to the Telecommunications Access System (TAS). The rules relating to the TAS have not been updated since the Legislature provided for competition in its 1995 rewrite of Chapter 364, Florida Statutes.

Rule 25-24.825 requires ALECs to file a price list for the provision of basic local telecommunications service. As competitors emerge it was not clear when Alternative Local Exchange Companies (ALECs) are required to file price lists under Rule 25-24.825, Florida Administrative Code.

Rule 25-4.160, Florida Administrative Code, currently specifies the manner in which local exchange companies bill and collect the monthly TAS surcharge from their subscribers and remit it to the Administrator of the Telecommunications Relay System (TRS).

DOCUMENT NUMBER-DATE

00391 JAN-8, 98

FPSC RECORDS/REPORTING

DOCKET NO. 980037-TP  
DATE: January 8, 1998

### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission propose amendments to Rules 25-4.160, F.A.C., Operation of Telecommunications Relay Service; 25-24.585, F.A.C., Records and Reports, Rules Incorporated; 25-24.825, F.A.C. Price List; and 25-24.835, F.A.C., Records and Reports, Rules Incorporated?

**RECOMMENDATION:** Yes. The Commission should adopt staff's proposed amendments to rules relating to the Telecommunications Relay Service and price lists for alternative local exchange telecommunications companies.

**STAFF ANALYSIS:** Staff recommends broadening the scope of certain rules relating to the TAS to include additional providers of local exchange services such as ALECs and shared tenant service (STS) providers. Rule 25-4.160, F.A.C., should be amended to include ALECs and STS providers in the definition of "local exchange company" for purposes of collecting and remitting the surcharge required for funding the Telecommunications Relay Service. Making this change ensures that all providers of local telecommunications exchange services will collect and remit the surcharge required for funding the TRS.

Staff recommends amending Rules 25-24.825 to require ALECs to file a price list when they provide dial tone or any combination of services included as part of basic local telecommunications service for residential or single line business subscribers. One company has interpreted the current rule to mean that unless they provide the full panoply of services included under the definition of basic services, they do not have to file a price list. When the price lists are not filed, the Commission does not have the information nor can it make the information available to the public.

Finally, staff recommends amending Rules 25-24.835 and 25-24.585 to incorporate Rule 25-4.160. ALECs and STS providers would then be required to bill and collect the monthly TAS surcharge from their subscribers and remit to the TRS Administrator.

The Commission has the authority to make the proposed changes under the sections of the Florida Statutes that are cited in the bill history. In addition, no significant transactional costs appear to be imposed on any regulated company, large or small, as a result of the recommended amendments.

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ISSUE 2: If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

Attachments:

Amended Rules

Statement of Estimated Regulatory Costs

98.rec

1  
2 25-4.160 Operation of Telecommunications Relay Services.

3 (1) For intrastate toll calls received from the relay service,  
4 each local exchange and interexchange telecommunications company  
5 billing relay calls shall discount relay service calls by 50  
6 percent off of the otherwise applicable rate for a voice nonrelay  
7 call except that where either the calling or called party indicates  
8 that either party is both hearing and visually impaired, the call  
9 shall be discounted 60 percent off of the otherwise applicable rate  
10 for a voice nonrelay call. The above discounts apply only to  
11 time-sensitive elements of a charge for the call and shall not  
12 apply to per call charges such as a credit card surcharge. In the  
13 case of a tariff which includes either a discount based on number  
14 of minutes or the purchase of minutes in blocks, the discount shall  
15 be calculated by discounting the minutes of relay use before the  
16 tariffed rate is applied.

17 (2) When a local exchange telecommunications company passes a  
18 call to the Florida relay service provider, it shall also forward  
19 the calling party's originating telephone number if the calling  
20 party's central office has that capability.

21 (3) To fund the telecommunications access system established  
22 under Part II of Chapter 427, F.S., all local exchange  
23 telecommunications companies shall impose a monthly surcharge on  
24 all local exchange telecommunications company subscribers,  
25 excluding federal and state agencies, on an individual access line

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1  
2 basis, except that such surcharge shall not be imposed upon more  
3 than 25 basic telecommunications access lines per account bill  
4 rendered.

5 (a) A local exchange telecommunications company shall consider  
6 an account bill rendered in a manner consistent with its billing  
7 practices for other telecommunications services.

8 (b) Except as otherwise provided by law, the surcharge billed  
9 by the local exchange telecommunications companies is not subject  
10 to any sales, use, franchise, income, municipal utility, gross  
11 receipts, or any other tax, fee, or assessment, nor shall it be  
12 considered revenue of the local exchange telecommunications  
13 companies for any purpose.

14 (c) All local exchange telecommunications companies shall  
15 include the surcharge as a part of the local service charge that  
16 appears on the customer's bill except that the surcharge may be  
17 itemized if a company monthly itemizes all local service charges.  
18 However, the local exchange telecommunications company shall  
19 itemize the surcharge on the initial bill to the subscriber and  
20 itemize it at least once annually. The local exchange  
21 telecommunications company may deduct and retain 1 percent of the  
22 total surcharge amount collected each month to recover the billing,  
23 collecting, remitting, and administrative costs attributed to the  
24 surcharge. All moneys received by the local exchange  
25 telecommunications company, less the authorized amount retained,

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1  
2 shall be submitted so as to be received by the Administrator within  
3 fifteen days after the end of the previous month. Each local  
4 exchange telecommunications company shall follow the same  
5 procedures for collecting this surcharge as for collecting for  
6 other regulated telecommunications services.

7 (4) For purposes of this part, the term "local exchange  
8 telecommunications company" shall be as defined in Section  
9 427.703(7), FS. The term shall include shared tenant service  
10 providers and alternative local exchange companies.

11 Specific Authority 427.704(8) FS.

12 Law Implemented 427.704(4), (5) FS.

13 History--New 9-16-92, Amended \_\_\_\_\_.

14  
15 25-24.585 ~~Records and Reports~~, Rules Incorporated.

16 (1) The following rules are incorporated herein by reference  
17 and apply to shared tenant service companies:

SECTION	TITLE	PORTIONS
		<del>NOT</del> APPLICABLE
25-4.019	Records and Reports in General	<u>All None</u>
25-4.020	Location and Preservation of Records	<u>All except (1)</u> <u>and (3)-(2)</u>
25-4.043	Response to Commission Staff Inquiries	<u>All None</u>
25-4.0161	Regulatory Assessment Fees; Telecommunication Companies	<u>All None</u>

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1  
2 25-4.160 Operation of Telecommunications All  
3 Relay Service

4 (2) Each shared tenant service company shall file with the  
5 Commission's Division of Communications updated information for the  
6 following items within ten days after either such change occurs.

7 (a) The mailing address of the certificate holder.

8 (b) Name, title, and phone number of individual responsible  
9 for Commission contacts.

10 **Specific Authority 350.127(2), 427.704(8) FS.**

11 **Law Implemented 350.113, 364.016, 364.17, 364.18, 364.183, 364.185,**  
12 **364.339 FS.**

13 **History--New 1-28-91, Amended 12-29-91, 11-13-95, 7-29-97,\_\_\_\_\_.**  
14

15 **25-24.825 Price List.**

16 (1) Prior to providing service, each company subject to these  
17 rules shall file and maintain with the Commission a current price  
18 list which clearly sets forth the following information for the  
19 provision of residential dial tone, single-line business dial tone,  
20 and dial tone with any combination of the services included as part  
21 of basic local telecommunications services, as defined in s.  
22 364.02(2), F.S. If residential dial tone, single-line business dial  
23 tone, or dial tone with any combination of the services included as  
24 part of basic local telecommunications service is offered on a  
25

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2 package basis, the following information must be provided for each  
3 the package:

4 (a) current prices,

5 (b) customer connection charges,

6 (c) billing and payment arrangements, and

7 (d) levels of service quality which the company holds itself  
8 out to provide for each service.

9 (2) At the company's option, price list information in  
10 paragraph (1) above and other information concerning the terms and  
11 conditions of service may be filed for services other than basic  
12 local telecommunication services.

13 (3) A price list revision must be physically received by the  
14 Commission's Division of Communications at least one day prior to  
15 its effective date.

16 (4) Price lists must be on 8 1/2 by 11 inch paper in  
17 loose-leaf form and must utilize an ongoing page identification  
18 system which will allow for the identification of inserted and  
19 removed pages. The color of paper on which price lists are filed  
20 must be amenable to being clearly photocopied on standard photocopy  
21 equipment.

22 (5) Complete information concerning a company's service  
23 offerings, rates and charges, conditions of service, service  
24 quality, terms and conditions, service area, and subscribership  
25

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1  
2 information identified by local exchange company exchange must be  
3 made available to Commission staff upon request.

4 Specific Authority 350.127(2) FS.

5 Law Implemented 364.04, 364.337(5) FS.

6 History--New 12-27-95, Amended \_\_\_\_\_.

7  
8 ~~25-24.835 Records and Reports~~, Rules Incorporated.

9 The following rules are incorporated herein by reference and  
10 apply to alternative local exchange companies.

11 Section Title

12 25-4.0161 Regulatory Assessment Fees

13 25-4.043 Response to Commission Staff Inquiries

14 25-4.036 Design and Construction of Plant

15 25-4.038 Safety

16 25-4.160 Operation of Telecommunications Relay Service

17 Specific Authority 350.127(2), 427.704(8) FS.

18 Law Implemented 364.336, 364.337 FS.

19 History--New 12-27-95, Amended \_\_\_\_\_.

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## MEMORANDUM

December 22, 1997

TO: DIVISION OF APPEALS (CALDWELL)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (LEWIS) *W. P. S. Hod*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COST FOR PROPOSED AMENDMENTS TO RULE 25-4.160, F.A.C., OPERATION OF TELECOMMUNICATIONS RELAY SERVICE; RULE 25-24.825, F.A.C., PRICE LIST; RULE 25-24.835, F.A.C., RECORDS AND REPORTS; RULES INCORPORATED; RULE 25-24.585, F.A.C., RECORDS AND REPORTS; RULES INCORPORATED.

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### SUMMARY OF THE RULE

Rule 25-24.825, F.A.C., presently requires Alternative Local Exchange Companies (ALECs) to file a price list for the provision of basic local telecommunications service, as defined in Section 364.02(2), F.S. Under the proposed amendment ALECS will be required to file a price list when they provide dial tone or any combination of services included as part of basic local telecommunications service for residential or single-line business subscribers.

Rule 25-4.160, F.A.C., currently dictates the manner in which local exchange companies shall bill and collect the monthly Telecommunications Access System surcharge from their subscribers and remit it to the Administrator of the Telecommunications Relay Service system. The proposed amendment will clarify that ALECs and Shared Tenant Service (STS) providers are included in the definition of "local exchange telecommunications company" for purposes of collecting and remitting the surcharge required for funding of the Telecommunications Relay Service (TRS).

The proposed amendments to Rules 25-24.835 and 25-24.585, F.A.C., incorporate Rule 25-4.160, F.A.C., to apply it to ALECs and STS providers, respectively.

**ESTIMATED NUMBER AND DESCRIPTION  
OF INDIVIDUALS AFFECTED AND ENTITIES REQUIRED TO COMPLY**

ALECs will be required to comply with the proposed amendments to rules 25-24.825, F.A.C., and 25-24.835, F.A.C. STS providers will be required to comply with the proposed amendments to rule 25-24.585, F.A.C. Both ALECs and STS providers will be required to comply with the proposed amendments to rule 25-4.160, F.A.C. There are presently 135 ALECs and 35 STS providers certificated to provide telecommunications service in Florida.

Subscribers of ALECs or STS providers who have not previously been billed the TRS surcharge may be billed as a result of the proposed amendments to Rules 25-4.160, 25-24.835 and 25-24.585, F.A.C. The number of subscribers who have not been billed the TRS surcharge is unknown. The TRS system may receive additional funds if ALECs or STS providers who have not previously collected and remitted the TRS surcharge begin to do so as a result of the proposed rule amendments. The Commission staff may receive an increased number of price list filings from ALECs as a result of the proposed amendment to Rule 25-24.825, F.A.C. Ratepayers will have more information available to them if ALECs file price lists on a wider variety of basic local service offerings as a result of the proposed amendment to Rule 25-24.825, F.A.C.

**DIRECT COSTS TO THE AGENCY  
AND OTHER STATE OR LOCAL GOVERNMENT ENTITIES**

The proposed amendments are not expected to provide additional costs to the Commission. Adequate Commission staff and procedures are already in place to process any new or revised price lists that may be filed as a result of the proposed rules. Existing Commission staff and procedures are also sufficient to respond to any customer or company inquiries that may be received if the proposed rules are adopted. If the proposed rules achieve their purpose of clarifying requirements for utility companies and making more information available to ratepayers and the Commission staff, there should be no direct costs to the agency.

At least two local governments (City of Lakeland and City of Ocala) hold ALEC certificates, although neither is currently offering telecommunications services. Local governments operating regulated telecommunications companies (ALEC or STS) are expected to face the same compliance

costs as other regulated entities. No other direct costs to state or local government entities are foreseen.

**ESTIMATED TRANSACTIONAL COSTS  
TO INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY**

One STS provider anticipated additional costs to comply with the proposed rule amendments. Executive Business Centers, Inc. estimated its annual administrative costs would increase by \$5,000. All other STS providers reported little or no costs to comply with the proposed rules. Telephone Company of Central Florida, Inc. (TCCF) is an ALEC that resells local exchange service. TCCF does not foresee its business incurring costs as a result of the proposed rules. No other ALECs provided information on transactional costs. It should be noted that existing Rule 25-4.160, F.A.C. provides for companies to retain 1 percent of the total surcharge amount collected from their subscribers each month to recover the administrative costs attributed to the surcharge. In conclusion, neither the proposed amendments on collecting and remitting the TRS surcharge nor the proposed amendment on filing price lists appear to impose significant transactional costs on most of the regulated companies surveyed.

**IMPACT ON SMALL BUSINESS, SMALL CITIES, OR SMALL COUNTIES**

Only one of the responding companies (UniversalCom, Inc., formerly Data and Electronic Services, Inc.) met the statutory definition of a small business. UniversalCom, Inc. stated it would experience minimal administrative costs as a result of the proposed rules. The proposed rules are not expected to have any greater economic impact on regulated small businesses than on other regulated entities. Small businesses, small cities, and small counties are expected to experience some of the same benefits from the proposed rules as ratepayers and utilities. These expected benefits are: increased availability of information about telecommunications services through price lists filings; and, consistency in collecting and remitting the TRS surcharge. No additional direct impacts on small businesses, small cities or small counties is foreseen.

**REASONABLE ALTERNATIVE METHODS**

No alternative methods of accomplishing the goals of the proposed rules were proposed by the respondents.

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