

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

January 22, 1998

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FPSC - Records/Reporting

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

FROM: DIVISION OF COMMUNICATIONS (SHELPER, WIGGINS) RIT
DIVISION OF LEGAL SERVICES (B. KEATING) MCB

RE: DOCKET NO. 941281-TL- PETITION BY SUBSCRIBERS OF THE GROVELAND EXCHANGE FOR EXTENDED AREA SERVICE (EAS) TO THE ORLANDO, WINTER GARDEN AND WINDERMERE EXCHANGES.

AGENDA: FEBRUARY 3, 1998 - REGULAR AGENDA - POST HEARING DECISION - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\941281TL.RCM

CASE BACKGROUND

This docket was initiated pursuant to a petition filed on November 11, 1994, by the subscribers of the Groveland exchange requesting extended area service (EAS) to the Orlando exchange. The Winter Garden and Windermere exchanges were included to prevent leapfrogging. The Groveland, Windermere, and Winter Garden exchanges are served by Sprint-United Florida, Inc. (Sprint-United), and the Orlando exchange is served by BellSouth Telecommunications, Inc. (BellSouth). The Groveland exchange is located in the Gainesville LATA (local access and transport area) and the Windermere, Winter Garden and Orlando exchanges are located in the Orlando LATA.

By Order No. PSC-95-0875-FOF-TL, issued July 19, 1995 in this docket, the Commission set this matter for hearing to consider community of interest criteria other than traffic data.

On April 18, 1996, the Commission held public and technical hearings in Groveland.

By Order No. PSC-96-1033-PCO-TL, issued August 8, 1996, the Commission ordered the parties to file briefs regarding the issue of the feasibility of implementing either extended area service (EAS) or extended calling service (ECS) on the Groveland to Orlando

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interLATA route based on Sections 271 and 272 of the Telecommunications Act of 1996 (Act). Thereafter, by Order No. PSC-96-1335-FOF-TL, issued November 5, 1996, the Commission ordered staff to conduct a staff workshop in order to gather additional information and to allow the parties in all affected toll relief dockets an opportunity to participate. Staff conducted the workshop on November 18, 1996, and the participants were asked to file post-workshop comments.

On May 30, 1997, by Order No. PSC-97-0620-FOF-TL, the Commission determined that the Telecommunications Act of 1996 prohibits BellSouth from originating interLATA traffic. Furthermore, the Commission found that although a BellSouth affiliate could carry interLATA EAS or ECS traffic, the Commission would not be able to order such an affiliate to implement what would be considered a part of basic service because only LECs are required to provide basic services pursuant to Section 364.385(2), Florida Statutes. The Commission, therefore, ordered that post-hearing action in this docket be suspended pending a hearing on the issue of whether one-way toll relief was appropriate.

On July 15, 1997, the Federal Communications Commission (FCC) issued Order 97-244 which indicated that the FCC would continue to consider requests for waiver of the LATA boundaries in order to allow the provision of flat-rate, non-optional local calling service.

By Order No. PSC-97-1309-FOF-TL, issued October 22, 1997, the Commission ordered Sprint-United Telephone Company of Florida to survey the subscribers of the Groveland exchange for nonoptional, two-way, flat rate, extended area service under the 25/25 plan with regrouping to the Orlando, Winter Garden, and Windermere exchanges.

This recommendation reports the outcome of the customer survey for EAS on the routes cited above.

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DISCUSSION OF ISSUES

ISSUE 1: Based on the results of the survey, should the Commission order the implementation of nonoptional, two-way, flat rate EAS between the Groveland exchange and the Orlando, Winter Garden, and Windermere exchanges?

RECOMMENDATION: Yes. Since the survey met the requirements of Rule 25-4.063(6), Florida Administrative Code, Sprint-United and BellSouth should be ordered to implement nonoptional, two-way, flat rate EAS between the Groveland exchange and the Orlando, Winter Garden, and Windermere exchanges at the rates stated in Table B. Since it was determined that a sufficient community of interest exists on the requested routes to implement EAS, BellSouth must apply to the FCC for a waiver to modify the LATA boundary in order to provide expanded local calling service on the Orlando/Groveland route. The Groveland/Winter Garden and Groveland/Windermere routes should be implemented as soon as possible but not to exceed twelve months from the issuance date of the order from this recommendation. As for the Orlando/Groveland route, if the FCC approves BellSouth's petition for a waiver of the LATA boundary, this route should be implemented as soon as possible but not to exceed twelve months from the date of the FCC's approval of the waiver. (WIGGINS)

STAFF ANALYSIS: FCC Order 97-244 addressed several petitions by BOCs for modification of LATA boundaries to allow them to provide expanded local calling service. The FCC determined that the need for certain expanded local calling routes outweighed any anticompetitive risks; therefore, the FCC approved the requests addressed in that order. The FCC also emphasized that the LATAs were being modified solely to allow the BOCs to offer non-optional, flat rate local calling service, not to permit the BOCs to offer any other type of service. The FCC further concluded that flat-rate, non-optional, expanded local calling service between exchanges will be deemed intraLATA, and the provisions of the Act governing intraLATA service will apply. Other types of service between specified exchanges will be deemed interLATA, and the provisions of the Act governing interLATA service will apply.

Section 364.385(2), Florida Statutes, states the following:

All applications for extended area service or extended calling service pending before the Commission on March 1, 1995, shall be governed by the law as it existed prior to July 1, 1995. Proceedings including judicial review pending on July 1, 1995, shall be governed by the law as

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it existed prior to the date on which this section becomes law. No new proceedings governed by the law as it existed prior to January 1, 1995, shall be initiated after July 1, 1995. Any administrative adjudicatory proceeding which has not progressed to the stage of a hearing by July 1, 1995, may, with the consent of all parties and the Commission, be conducted in accordance with the law as it existed prior to January 1, 1996.

This petition was filed on November 11, 1994. Thus, it is governed by the law as it existed prior to July 1, 1995.

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 mailed must be returned.

Sprint-United mailed 3,616 ballots to all customers of record in the Groveland exchange. The results of the survey are shown on Table A:

TABLE A

SURVEY RESULTS			
	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed	3,616	100.00%	
Ballots Returned	1,660	45.91%*	100.00%
For EAS	1,195	33.05%	71.99%**
Against EAS	459	12.69%	27.65%
Invalid	6	.166%	.36%

* 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 vote).

Based on the results of the survey, staff recommends that Sprint-United and BellSouth implement nonoptional, two-way, flat rate EAS between the Groveland exchange and the Orlando, Winter Garden, and Windermere exchanges at the rates stated in Order No. PSC-97-1309-POF-TL listed below in Table B. Staff notes that in order to provide expanded local calling service on the Orlando/Groveland route BellSouth must apply to the FCC for a waiver to modify the LATA boundary.

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TABLE B

	PRESENT RATE	25/25 ADDITIVE	REGROUPING	TOTAL ADDITIVE	NEW RATE
R-1	\$ 8.73	\$ 2.37	\$ 1.50	\$ 3.87	\$12.60
B-1	\$20.47	\$ 5.57	\$ 3.56	\$ 9.13	\$29.60
PBX	\$40.98	\$11.13	\$ 7.08	\$18.21	\$59.19

Staff further recommends that EAS should be implemented Groveland/Winter Garden and Groveland/Windermere routes as soon as possible but not to exceed twelve months from the issuance date of the order from this recommendation. As for the Orlando/Groveland route, if the FCC approves BellSouth's petition for a waiver of the LATA boundary, EAS should be implemented on this route as soon as possible but not to exceed twelve months from the date of the FCC's approval of the waiver.

ISSUE 2: Should Docket No. 941281-TL be closed?

RECOMMENDATION: Yes. If the recommendation in Issue 1 is approved, this docket should be closed. Staff should place the matter on monitor status to ensure that Sprint-United and BellSouth make the necessary tariff revisions to comply with the implementation date. (KEATING)

STAFF ANALYSIS: With the approval of staff's recommendation in Issue 1, this docket should be closed. Staff should place the matter on monitor status to ensure that Sprint-United and BellSouth make the necessary tariff revisions to comply with the implementation date.