

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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RECORDS AND REPORTING

DATE: OCTOBER 5, 2000

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

FROM: DIVISION OF COMPETITIVE SERVICES (ILERI, BULECZA/BANKS)  
DIVISION OF LEGAL SERVICES (B. KEATING, VACCARO/FORDHAM)

*Handwritten initials and signatures:*  
ileri, BULECZA/BANKS, B. KEATING, VACCARO/FORDHAM, msd

RE: DOCKET NO. 990455-TL - REQUEST FOR REVIEW OF PROPOSED NUMBERING PLAN RELIEF FOR THE 305/786 AREA CODE - DADE COUNTY AND MONROE COUNTY/KEYS REGION.

DOCKET NO. 990517-TL - REQUEST FOR REVIEW OF PROPOSED NUMBERING PLAN RELIEF FOR THE 904 AREA CODE.

AGENDA: 10/17/00 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 10/1/01 (EXHAUST DATE<sup>1</sup> FOR THE 305 AREA CODE)  
10/1/04 (EXHAUST DATE FOR THE 305/786 AREA CODES)  
1/1/02 (EXHAUST DATE FOR THE 904 AREA CODE)

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\990455B.RCM

CASE BACKGROUND

At the September 29, 2000 Special Agenda Conference, the Florida Public Service Commission approved relief plans for the 305/786, 561, 904, and 954 area codes. During this conference, the Commission voted to approve a geographic split for the 904 area code. Under the chosen plan, customers in the Sanford exception area would be required to change their full seven digit telephone numbers. To allow customers in the Sanford exception area to voice their preference of remaining in the 407 area code and maintaining their current telephone numbers or to moving into the 904 area code

<sup>1</sup>The exhaust dates are taken from the April, 2000, Central Office Code Utilization Survey (COCUS) results.

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12826 OCT-98  
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and changing their phone numbers, the Commission voted to approve a balloting process.

In addition, the Commission stated that to conserve the available telephone numbers in the Keys and Miami-Dade regions, the Commission voted to implement rate center consolidation and code sharing. Because implementing rate center consolidation and code sharing will result in a revenue loss to the industry, the Commission voted to ballot the customers in the Keys to determine whether they would be willing to pay an additional fixed monthly amount to have seven digit local dialing and an expanded local calling area.

Similarly, the Commission voted to ballot the customers in the Miami-Dade region, to determine whether the customers would be willing to pay an additional fixed monthly amount in return for a possible delay in imposing an additional area code.

Staff notes that the Commission did not address the type of criteria for the ballot, the pass/fail ratio, the appropriate monthly amount to bill the customers, and appropriate time frame and procedures for the ballots. Therefore, staff has prepared this recommendation to address these issues.

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**ISSUE 1:** What criteria should the Commission establish to ballot customers in the following areas/regions:

- A) Sanford exception area (904 area code)
- B) Keys region(305 area code)
- C) Miami-Dade area (305/786 area codes)

**RECOMMENDATION:** Staff recommends that the Commission apply the criteria set forth in Rule 25-4.063, Florida Administrative Code (F.A.C.), with the exception of subsection (6) of the Rule. (ILERI)

**STAFF ANALYSIS:** Staff notes that Rule 25-4.063, Florida Administrative Code is applicable to surveys for extended area service (EAS). Staff also notes that the Commission has used this rule as a guideline in its prior balloting of non-EAS issues, with the exception of subsection (6) of the Rule. Subsection (6) of the Rule addresses the pass/fail ratio. Staff believes that this rule can be used as a guideline in this instance as well. Therefore, staff recommends that the Commission apply the criteria set forth in Rule 25-4.063, F.A.C., with the exception of subsection (6), for the balloting of Sanford exception area, the Keys region, and the Miami-Dade area.

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**ISSUE 2:** What should be the threshold criteria (pass/fail rate) in the following area/regions:

- A) Sanford exception area (904 area code)
- B) Keys region(305 area code)
- C) Miami-Dade area (305/786 area codes)

**RECOMMENDATION:** Upon approval of Issue 1, staff recommends that the Commission require that at least 60 percent of the subscribers balloted must respond, and of those responding, at least a majority (50%) must vote in favor of a telephone number change in the Sanford exception area (60/50 criteria). Staff also recommends that the same criteria should be applied for the Keys region and Miami-Dade area. (ILERI)

**STAFF ANALYSIS:** The pass/fail rate recommended by staff differs from that set forth in the subsection (6) of Rule 25-4.063. In the rule, the threshold is 40/50. Staff notes that in prior non-EAS cases, the Commission found it appropriate to require that at least 60 percent of the subscribers balloted must respond, and of those responding, at least a majority (50%) must vote in favor of the change needed. Staff also notes that in Docket No. 981795-TL, the Commission balloted the Sanford area with a lower criteria of 50/50. In addition, in a recent exchange transfer case, the Commission used a threshold (60/50) criteria. See Docket No. 000258-TL. While this survey differs from previous surveys in that only the customers' telephone numbers are subject to change, not their calling scope, staff believes the similarities in the issues, as well as, the area addressed, warrant use of the same threshold criteria. Therefore, for the Sanford exception area, staff recommends that the Commission use the same criteria as it used before. In this instance, the criteria is the 60/50 threshold.

Staff also recommends that the same criteria be applied for the Keys region and Miami-Dade area.

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**ISSUE 3:** What rate(s) should be reflected in the ballots for the Keys region and Miami-Dade area?

**RECOMMENDATION:** Staff recommends that the Commission require BellSouth to itemize all costs associated with rate center consolidation and code sharing for the Keys region and Miami-Dade area. Staff also recommends that the Commission require BellSouth to calculate the rates per month per line, which will be used in the balloting process. In addition, staff recommends that BellSouth provide this information to staff by November 13, 2000. (ILERI)

**STAFF ANALYSIS:** According to BellSouth's October 4, 2000, estimates, the Extended Calling Service (ECS) revenue loss to implement rate center consolidation in the Keys region would be approximately \$700,000. This rate center consolidation would convert seven rate centers into one rate center (Keys rate center).

Similarly, for the Miami-Dade rate center consolidation, the ECS revenue loss would be approximately \$7.63 million to consolidate four rate centers into one rate center, or approximately \$600,000 to consolidate four rate centers into two rate centers. The following chart summarizes the ECS revenue loss for all the options:

Options for the 305 and 305/786 area codes	ECS Revenue Loss per Year
Keys' Option #1	\$700,000
Miami-Dade's Option #1	\$7,630,000
Miami-Dade's Option #2	\$600,000

Using the total number of access lines from the 1999 Cost Comparative cost statistics, the rates would be as follows:

Region / Area	Rate per Month
Keys's Option #1	70¢
Miami-Dade's Option #1	42¢
Miami-Dade's Option #2	4¢

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Staff does not believe that it is appropriate to conduct balloting based on these figures. This analysis does not account for the following items: revenue impacts of modifying a pre-calculated rate center consolidation plan (e.g., converting four rate centers into one or two); cost impacts due to increased local trunking requirements; and investments for central office, outside plan, trunking, and expenses for translations, directory, customer education, administration, and billing system changes.

BellSouth has indicated to staff that there will be additional costs associated with rate center consolidation other than the ECS revenue loss. Thus, staff does not believe that the Commission should initiate a balloting process until all costs associated with rate center consolidation and code sharing are identified.

Therefore, staff recommends that the Commission require BellSouth to itemize all costs associated with rate center consolidation and code sharing, including the rates per month per line, which will be used in the balloting process by November 13, 2000.

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**ISSUE 4:** What is the appropriate time frame and procedures for balloting the following areas/regions:

- A) Sanford exception area (904 area code)
- B) Keys region (305 area code)
- C) Miami-Dade area (305/786 area codes)

**RECOMMENDATION:** If the Commission approves staff's recommendation in Issues 1, 2, and 3, staff recommends that the balloting be conducted as presented in the Staff Analysis. **(ILERI)**

**STAFF ANALYSIS:** If the Commission approves staff's recommendation in Issues 1, 2, and 3, staff recommends that the Commission require BellSouth to survey the affected customers: (1) in the Sanford exception area to determine if they are in favor of changing their telephone numbers and area code; and (2) in the Keys region and Miami-Dade area to determine if they are in favor of an additive charge to their monthly bills.

For the Sanford exception area survey, staff recommends that the survey be conducted in an expedited manner, so that the ballots are mailed by December 1, 2000. In addition, the ballot should advise the subscribers that their seven digit telephone number would change, including their area code from 407 to 386. Moreover, the customers should respond by January 5, 2001. The survey letter and ballot should be submitted to staff by November 3, 2000, to allow time for review prior to distribution to the affected customers.

For the Keys region and Miami-Dade area surveys, staff recommends that the survey be conducted in an expedited manner, so that the ballots are mailed by January 8, 2000. In addition, the ballots should advise the subscribers that there would be an additional charge to their bills. The customers should also be informed that this change in rates is to conserve the available telephone numbers. Moreover, the customers should respond by February 15, 2001. The survey letter and ballot should be submitted to staff by December 15, 2000, to allow time for review prior to distribution to the affected customers.

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**ISSUE 5:** Should these dockets be closed?

**RECOMMENDATION:** No. If staff's recommendation in Issues 1, 2, 3, and 4 are approved, the resulting order will be a Proposed Agency Action. If no person whose substantial interests are affected timely files a protest within 21 days of the issuance of the Order, the decision will become final upon issuance of a consummating order. Staff recommends that these dockets should not be closed pending the implementation of various number conservation measures in these area codes. (B. KEATING, VACCARO, FORDHAM)

**STAFF ANALYSIS:** If staff's recommendation in Issues 1, 2, 3, and 4 are approved, the resulting order will be a Proposed Agency Action. If no person whose substantial interests are affected timely files a protest within 21 days of the issuance of the Order, the decision will become final upon issuance of a consummating order. Staff recommends that these dockets should not be closed pending the implementation of various number conservation measures in these area codes.