

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of proposed updates to the Routing Data Base System (RDBS) and Business Rating Input Database System (BRIDS) affecting the Tampa telecommunications carriers.

Docket no. 010102-TP

Filed April 24, 2001

CITIZENS' POSTHEARING STATEMENT OF ISSUES AND POSITIONS

Pursuant to the prehearing order issued March 21, 2001, the citizens of Florida (Citizens), by and through Jack Shreve, Public Counsel, file this post hearing statement of issues and positions.

Basic Position

The Tampa area should be treated as one rate center for the ALECs.

Issues and Positions

Issue A: What is the extent of the Commission's authority to order rate center consolidation?

Position: *The Florida Public Service Commission has jurisdiction to order rate center consolidation, but it may not raise prices for price cap companies other than as allowed by section 364.051, Florida Statutes.*

Discussion: There are several statutory bases supporting the Commission's jurisdiction to order rate center consolidation.

The powers of the Commission set forth in section 364.01, Florida Statutes, show the broad and exclusive jurisdiction of the Commission over

telecommunications companies. Section 364.01(2) states the legislative intent "to give exclusive jurisdiction in all matters set forth in this chapter to the Florida Public Service Commission in regulating telecommunications companies..." Relevant purposes for the exercise of the Commission's exclusive jurisdiction include the caveat in subsection (4)(a) ("protect the public health, safety, and welfare by ensuring that basic local telecommunications services are available to all consumers in the state at reasonable and affordable prices") and the caveat in section (4)(i) ("continue its historical role as a surrogate for competition for monopoly services provided by local exchange telecommunications companies")

Section 364.15, Florida Statutes, authorizes the Commission to compel repairs, improvements, changes, additions, or extensions to any telecommunications facility in order to (1) promote the security or convenience of the public, or (2) secure adequate service or facilities for telecommunications services. Section 364.02(13), Florida Statutes, defines "telecommunications facility" to include real estate, easements, apparatus, property, and routes used and operated to provide two-way telecommunications service to the public for hire within this state.

Together, these provisions provide the Florida Public Service Commission authority to compel changes in routes. Rate centers define telecommunications routes. The authority to order changes to rate centers is therefore encompassed within this broad authority of the Commission to compel changes in routes.

The statutory authority of the Commission over certificates also provides the Commission the power to order rate center consolidation. Section 364.335,

Florida Statutes, governs the process of applying to the Commission for new certificates¹, while section 364.345, Florida Statutes, appears to govern certain responsibilities of certificate holders, the process to transfer certificates, and the process to amend the territory covered by the certificate.

Section 365.345, Florida Statutes, provides specifically that "each telecommunications company shall provide adequate and efficient service to the territory described in its certificate within a reasonable time as prescribed in the commission order." Rate center consolidation easily qualifies as necessary for the provision of "adequate and efficient service," as described by this statute, since rate center consolidation provides a more efficient use of scarce numbering resources. The Federal Communications Commission describes the existence of multiple rate centers in each NPA as the "rate center problem" and states that it is one of the major contributing factors to numbering resource exhaust.²

To summarize, there are at least two statutory bases underlying the Commission's authority to order rate center consolidation: the Commission's authority over telecommunications facilities, and the Commission's authority over certificate holders.³

Verizon confuses rate center consolidation with extended area service. Extended area service is a switching and trunking arrangement which provides flat rate calling between two or more exchanges at an increment to exchange rates rather than at toll message charges. Rule 25-4.057(2), F.A.C. In contrast,

¹ See *Florida Interexchange Carriers Association v. Beard*, 624 So.2d 248, 250-251 (Fla. 1993).

² *Second Report and Order* released December 29, 2000, CC Docket 96-98, para. 144.

³ Also note that the Federal Communications Commission has repeatedly stated that states have authority to consolidate rate centers. *Id.*, para. 147.

rate center consolidation creates one rate center out of many. Rate center consolidation isn't an arrangement for calling between exchanges, as is EAS; rather, it is the actual consolidation of rate centers into one. There is nothing to "extend" because rate centers become one.

Changes to the Commission's regulatory paradigm affecting the ability to order extended area service have nothing to do with consolidating rate centers. The purpose of consolidating rate centers is to conserve scarce numbering resources. The purpose of extended area service is to address community of interest considerations which are irrelevant to the issue of conserving scarce numbering resources.

The Commission may order rate center consolidation based on the authority given to the Commission over certificates and telecommunications facilities. Rate center consolidation is not the same as extended area service and is therefore not subject to the old rate additive issues and procedures the Commission once used when ordering extended area service. Section 365.051, Florida Statutes, controls the rates Verizon and other price cap companies may charge. *See BellSouth Telecommunications v. Johnson*, 708 So.2d 594 (Fla. 1998).

Issue 1: Should the Tampa Market Area be considered one rate center? If not, what rate centers should be associated with the Tampa Market Area?

Position: *The Tampa Market Area should be one rate center for the ALECs, as it has been for past years.*

Discussion: Over past years Verizon treated the five rate centers in the Tampa area in a rather unique way. Rate centers normally have distinct "V & H" coordinates that are used to determine the mileage of all toll calls. Verizon, however, only used the distinct V & H coordinates from each of the five rate centers for toll calls of 40 miles or less. For rate centers 41 miles or more from a Tampa rate center, Verizon used the Tampa Central V & H coordinate. Thus, even though a call was made from Tampa North, South, East or West, Verizon used the Tampa Central V & H coordinate to rate toll calls 41 miles or greater. See Menard, Tr. 59-60. Verizon now charges the same toll rate regardless of distance. See exhibit 6.

Tampa North, South, East and West have only some aspects of rate centers. Verizon would use the distinct V & H coordinates of these four rate centers for all purposes if they were truly like all other rate centers. Instead, they seem like hybrids, treated as separate rate centers for some purposes, but not for others. In addition to the mileage distinction already noted, Verizon also does not consider calling between the rate centers as extended area service. Menard, Tr. 54. If they were true rate centers for all purposes, flat rate local calling between the five rate centers would be extended area service. Instead, Verizon treats calling between the five rate centers as if it were all within the same rate center.

Verizon's treatment of Tampa as one rate center in the LERG is another way Verizon treated the Tampa area as a single rate center instead of five. Verizon provided no explanation for their failure to treat each of these rate

centers separately in the LERG. They simply state that they don't know why this was done. Menard, Tr. 51, 52.

Not surprisingly, ALECs relied on Verizon's treatment of the Tampa area as one rate center in the LERG. Henderson, Tr. 173; Faul, Tr. 213-214; Thomas, Tr. 249. There is no reason to change that treatment now.

Issue 2: How would multiple rate centers impact the numbering resources in the Tampa Market Area?

Position: *Requiring the ALECs to change the procedure which has been used for past years would have an adverse impact on numbering resources in the Tampa Market Area.*

Discussion: Neustar manager Tom Foley provided information about the number of new central office codes that might be required by ALECs. Foley, Tr. 151-157. While the number of required new codes varied according to different assumptions used by Mr. Foley, one thing was clear: if Verizon succeeds in changing the LERG to show five rate center rather than one, significant additional numbering resources will be required, and it will shorten the life of the 813 area code.

Verizon argues that 1000 block number pooling would help offset the adverse impact on the life of the area code from Verizon's proposed treatment of Tampa in the LERG. However, pooling should be used to extend the life of the area code, not just offset the adverse impact from requiring the ALECs to use additional numbering resources. In docket 001503-TP, Verizon argues that

customers should pay for number pooling trials with a PSC imposed surcharge on bills of \$.36 per line per month for as long as it takes to make customers pay the total extra cost to Verizon to conduct state number pooling trials.⁴ Verizon's offer to conduct a number pooling trial in the Tampa area would, in Verizon's view, come straight from customers' pockets. While Citizens agree with conducting a number pooling trial in Tampa, it should be used to extend the life of the 813 area code rather than offset the adverse impact from Verizon's proposed changes to the LERG.

Issue 3:

a) What effect will Verizon's changes to its Routing Database System (RDBS) and Business Rating Information Database System (BRIDS) have on other telecommunications carriers in the Tampa Market Area?

b) What effect would one or more rate centers have on telecommunications carriers in the Tampa Market Area?

Position: *No position.*

Issue 4: Should a number pooling trial be implemented in the Tampa Metropolitan Statistical Area? If so, when should the number pooling trial begin?

Position: *A number pooling trial in the Tampa MSA should be implemented within six months of the Commission's decision in this proceeding.*

⁴ See Post-Workshop of Verizon Florida Inc. filed February 16, 2001, in docket 001503-TP. Citizens believe that these costs are already covered by price regulation. Additional charges are neither necessary nor appropriate.

Issue 5: What other number conservation measures, if any, should the Commission order in the Tampa Market Area? If so,

a) When should these measures be implemented?

b) How should the cost recovery be established?

Position: *No position on issue a. With respect to issue b, Verizon already recovers its costs of providing telecommunications services through price cap regulation, and its rates cannot be increased except as provided by section 364.051, Florida Statutes. No additional charges should be allowed.*

Issue 6: Should Verizon be ordered to implement rate center consolidation in the Tampa Market Area? If so,

a) How many rate centers should be consolidated? and if so, how should it be implemented?

b) When should the rate center consolidation be effective?

c) Should Verizon be allowed to recover its costs upon consolidation of its rate centers in the Tampa Market Area? If so, how?

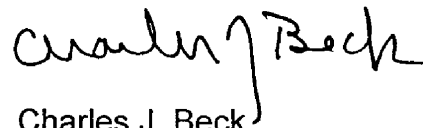
Position: *No position with respect to issues a and b. With respect to issue c, Verizon already recovers its costs of providing telecommunications services through price cap regulation, and its rates cannot be increased except as provided by section 364.051, Florida Statutes. No additional charges should be allowed.*

Issue 7: Should Verizon be required to undo changes made prior to August 15, 2000, in its RDBS and BRIDS systems? If so, should Verizon be required to file a revised Tariff reflecting one Tampa Rate Center?

Position: *The Tampa area should be treated as one rate center for ALECs.*

Respectfully submitted,

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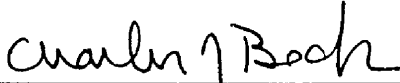
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NO. 010102-TP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or hand-delivery to the following parties on this 24th day of April, 2001.



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