

STATE OF FLORIDA

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Public Service Commission

February 3, 2003

Ms. Mary Helen Blakeslee  
Office of Tourism, Trade, and  
Economic Development  
Executive Office of the Governor  
The Capitol  
Tallahassee, FL 32399-0001

SUBJECT: Docket No. 021166-TP - Rules 25-4.119, 25-24.830 and 25-24.840, F.A.C.

The Commission has determined that the above rules will affect small business. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Weekly (FAW) notices for the proposed rules, which will be published in the February 7, 2003 edition of the FAW. Also enclosed is a copy of the statement of estimated regulatory costs.

If there are any questions with respect to these rules or the Commission's rulemaking procedures, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "Samantha M. Cibula".

Samantha M. Cibula  
Senior Attorney

Enclosures

cc: Division of the Commission Clerk  
and Administrative Services

DOCUMENT NUMBER 021166-TP-1  
01056 FEB-3-03  
FPSC-COMMISSION CLERK

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 021166-TP

RULE TITLE:

RULE NO.:

Line Information Database

25-4.119

Maintenance

PURPOSE AND EFFECT: The rule will make available through the Line Information Database (LIDB) sufficient information to ensure that collect and third party calls to alternative local exchange carrier (ALEC) customers can either be properly billed through billing and collection agreements or through the acquisition of the billing name and address information from the ALEC serving the customer accepting the charges for the call.

SUMMARY: The rule will require the local exchange carrier (LEC) to update LIDB with the account ownership code of the ALEC when the ALEC has contracted with the LEC for this service. If the ALEC has not contracted with the LEC, subsection (1)(b) provides access to the LIDB for the ALEC to update the database directly. Paragraph (2) exempts certain LECs from the requirements of the rule.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: LECs indicated that the initial expense of complying with the proposed rule adoption may range from \$26,000 to \$485,000, not including the costs associated with development of work the third party LIDB

provider may experience. All the companies indicated that their billing systems will have to be modified if the proposed rule adoption takes effect. Some ALECs indicated that they would experience transactional costs to comply with the proposed rule adoption. The only costs that the Commission and other state entities are expected to incur are associated with promulgating the rule. Local governments may incur costs similar to private ALECs if they offer calling services but do not have the necessary billing processes. Also, small businesses, cities, and counties may be affected if they have an ALEC certificate and offer calling services, and the costs could be similar to those of private telecommunications companies.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 350.115, 364.03, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rick Moses, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-4.119 Line Information Database Maintenance

(1) Within 6 months of the effective date of this rule, each local exchange telecommunications company shall:

(a) Update the Line Information Database (LIDB) with the account ownership code of the Alternative Local Exchange Company claiming the customer, provided the ALEC has contracted with the local exchange company to provide such information or has purchased the line directly from the local exchange company; and

(b) Provide ALECs access to LIDB, or provide updates on a contractual basis, at reasonable cost-based terms and conditions, for each ALEC that enters into a contract.

(2) LECs are exempt from subsection (1) of this rule if there is no ALEC within the service area that allows third-party or collect calls. If an ALEC in the service area elects to allow third-party or collect calls, the LEC shall comply with this rule within 6 months after such time.

Specific Authority: 350.127(2) FS.

Law Implemented: 350.115, 364.03 FS.

History: New \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Rick Moses

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: January 21, 2003.

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May  
31, 2002, Vol. 28, No. 22.

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 021166-TP

RULE TITLE:	RULE NO.:
Consumer Information	25-24.830
Service Standards	25-24.840

PURPOSE AND EFFECT: The rule will make available through the Line Information Database (LIDB) sufficient information to ensure that collect and third party calls to alternative local exchange carrier (ALEC) customers can either be properly billed through billing and collection agreements or through the acquisition of the billing name and address information from the ALEC serving the customer accepting the charges for the call.

SUMMARY: Rule 25-24.830 will require an ALEC that chooses to restrict its customers from receiving collect or third party billing services to inform its potential customers about the calling restrictions. Rule 25-24.840 will require the ALEC to provide billing name and address information at a reasonable cost and in a timely manner to any telecommunications company that requests the information unless the ALEC has an active billing and collection agreement and to update account ownership information and appropriate toll restriction information directly into LIDB or contract with the appropriate LEC for daily updates.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: LECs indicated

that the initial expense of complying with the proposed rule amendment may range from \$26,000 to \$485,000, not including the costs associated with development of work the third party LIDB provider may experience. All the companies indicated that their billing systems will have to be modified if the proposed rule amendment takes effect. Some ALECs indicated that they would experience transactional costs to comply with the proposed rule amendment. The only costs that the Commission and other state entities are expected to incur are associated with promulgating the rule. Local governments may incur costs similar to private ALECs if they offer calling services but do not have the necessary billing processes. Also, small businesses, cities, and counties may be affected if they have an ALEC certificate and offer calling services, and the costs could be similar to those of private telecommunications companies.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 364.337, 364.03, 364.035, 364.345, F.S. and Ch. 95-403, §32, L.O.F.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND

ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Rick Moses, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-24.830 Consumer Information

(1) The quality of service information in paragraph (1) (d) of rule 25-24.825 shall be provided, verbally or in writing, upon request to any person inquiring about the company's basic local exchange telecommunications service. In addition, the above information shall be provided in writing before or in the basic local exchange telecommunications customer's first bill for service. The above information shall be expressed in simple words, sentences, and paragraphs. Unnecessarily long, complicated, or obscure phrases or acronyms must be avoided.

(2) If an ALEC elects not to provide any third-party billing or collect call services to its customers, the ALEC shall so state in its price list and notify customers of such prior to a customer agreeing to obtain local service from the ALEC. In addition, the above information shall be provided in writing before or in the basic local exchange telecommunications



customer's first bill for service. The above information shall be expressed in simple words, sentences, and paragraphs.

Unnecessarily long, complicated, or obscure phrases or acronyms must be avoided.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.337(5), F.S., Ch. 95-403, §32, L.O.F.

History: New 12/26/95, XX-XX-XX.

25-24.840 Service Standards

(1) Each provider of alternative local exchange telecommunications service shall make access to 9-1-1 emergency services available to each of its basic telecommunications service customers at a level at least equivalent to the service provided by the incumbent local exchange company.

(2) ~~By July 1, 1997,~~ Access to 911 services shall be maintained for the duration of any temporary disconnection for non-payment of a residential subscriber's local service.

(3) Within 6 months of the effective date of this section, each Alternative Local Exchange Company shall:

(a) Provide billing name and address information of the end-user at a reasonable cost and in a timely manner to any telecommunications company that requests the information unless the ALEC has an active billing and collection agreement.

(b) Update account ownership information and appropriate toll restriction information directly into LIDB or contract with

the appropriate local exchange company for daily updates.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.035, 364.337, 364.345, F.S.

History: New 05/06/97, XX-XX-XX.

NAME OF PERSON ORIGINATING PROPOSED RULE: Rick Moses

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: January 21, 2003.

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May  
31, 2002, Vol. 28, No. 22.

MEMORANDUM

November 13, 2002

TO: DIVISION OF APPEALS (CIBULA)

FROM: DIVISION OF ECONOMIC REGULATION (HEWITT) *CBH* *Kor* *192*

SUBJECT: REVISED STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED RULE 25-4.119, F.A.C., LINE INFORMATION DATABASE MAINTENANCE, AND PROPOSED AMENDMENTS TO RULES 25-24.830, F.A.C., CONSUMER INFORMATION, AND 25-24.480, F.A.C., SERVICE STANDARDS

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SUMMARY OF THE RULE

Proposed Rule 25-4.119, F.A.C., Line Information Database Maintenance, Proposed Amendments to Rules 25-24.830, F.A.C. Consumer Information, and 25-24.480, F.A.C., Service Standards, describe the Commission's plan for ensuring that all calls to ALEC customers can be properly billed.

The proposed additions and amendments would make available through the Line Information Database (LIDB) sufficient information to ensure that collect and third party calls to ALEC customers are properly billed.

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

There are 425 ALEC companies with active certificates in Florida. Each would have to comply with the proposed rule. There are 10 incumbent local exchange companies (LECs) in Florida which would incur costs if they have not already changed the current LIDB to correctly display the ALEC as the service provider on resold lines.

RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Public Service Commission and other state entities are not expected to experience implementation costs other than the costs associated with promulgating a proposed rule. Existing Commission staff would continue to handle the monitoring and review of compliance.

Local government entities may incur costs to comply if they offer calling services and do not have the necessary billing processes. The cost would be similar to the cost incurred by a private ALEC company.

### ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

Some LECs indicated that they would incur new costs from the proposed rule changes. Sprint estimated that it would incur initial expenses of \$485,000 to comply with the proposed rule changes. Costs include purchase of software of \$245,000; modification of programs to identify resellers - \$20,000; staff time working on the project - \$20,000; and, cost to add Billing Service Provider to Sprint's systems - \$200,000.

TDS Telecom indicated that its Sabre billing system does not currently have the capability to comply with the proposed rule. Many changes to the system would be necessary including changes to the database, service order, inquiry screens, and to interfaces. The estimated costs to implement this functionality are between \$75,000 and \$100,000. TDS has approximately 400 resold lines which would cost between \$187 and \$250 per resold line to comply. Further, TDS estimated that it would require approximately 600-1,000 programming hours to comply. Therefore, TDS recommends that, at a minimum, that LECs should be allowed 6 months to comply with the proposed rule once an ALEC provides "unrestricted resale."

Frontier Communications of the South contacted its LIDB vendor, who indicated that they are not able to comply with the new requirements regarding LIDB database maintenance. Frontier does not have the information why its vendor can not comply at this time. However, if its vendor does not upgrade their database and the rule is implemented, Frontier would have significant cost to create its own LIDB database and any requirement that is specific just to Florida would be economically burdensome. Frontier has about 4,500 access lines in a very rural area of the state and would have to apply for a rule waiver if the costs to comply are unduly large.

Northeast Florida Telephone Company indicated that each transaction record for subscriber information that is extracted and sent as external party updates to LIDB contains Northeast's OCN. Should they be required to update the OCN record to reflect the OCN for the ALEC, major billing changes would be required. Northeast's outside vendor indicated that their present software cannot support this change and many changes would be required. Northeast has approximately 1,000 resold lines and the estimated cost would be between \$50 and \$100 per resold line or \$50,000 to \$100,000 to comply with the proposed rule.

ALLTELL stated that its CAMS billing system currently will not accommodate the requirements of this proposed rule. The function to put the OCN code of the customer's new provider into ALLTELL's LIDB records would have an estimated cost of \$26,000-\$56,000. This estimate does not include any costs associated with development work the 3<sup>rd</sup> party LIDB provider may have. Additional costs would include: storage costs to maintain customer data on the database, and incremental costs to report on the usage; CSSR time spent to process the updates; per transaction

costs to send the information to the LIDB; Information Systems programming costs, including testing, to make changes to billing system to accommodate this requirement.

Some ALECs would have transactional costs to comply with the proposed rule. One company stated that it estimated its incremental costs associated with the daily update of the LIDB with such information as toll restrictions and account ownership would be approximately \$20,000. The ongoing costs would be approximately \$10,000 annually, given factors such as volume of records, and human and technical resources. If the company decides not to provide third-party billing or collect call services, it estimated that the incremental cost would be approximately \$5,000 annually. Additional incremental cost to provide this information in writing before or in the customer's first bill would be approximately \$5,000 annually. The company could not speculate as to the costs associated with contracting with the appropriate local exchange company for daily updates. But the company expects to incur annualized costs in this regard of approximately \$5,000 annually.

Another company estimated that the costs to comply with the proposed rule would run into substantial sums of money. However, that company apparently does not understand how the rule works. The rule does not mandate billing and collection agreements (B&C). The rule allows flexibility so that if a company does not have a B&C agreement, it can provide billing name and address information so that the originating company can direct bill the call. Companies do not have to open their billing system to others. The originator of the call can bill through a clearing house or a direct bill. There may be some additional costs if there is a toll restriction code in the LIDB and the originating company has to obtain the billing name or address or contact the customer directly before billing can be completed. However, that should more than be offset by the benefits of the rule that would enable many millions of dollars of uncollectible calls to be eliminated, thus lowering the overall cost of service.

It was suggested that the Commission should establish a strict time frame for companies to implement the provisions of the rule amendments in order to have uniformity in the timing of carriers ability to obtain said information.

#### IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

Small businesses, small cities, and small counties may be affected if they have an ALEC certificate and offer calling services. The cost could be similar to the private company costs listed above.

Cc: Mary Bane  
Rick Moses  
Hurd Reeves