

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: July 6, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (MOSES)
Office of the General Counsel (BELLAK)

RE: Docket No. 060476-TL – Petition to Initiate Rulemaking to amend Rules 25-24.630(1) and 25.24.516(1), F.A.C., by BellSouth Telecommunications, Inc.

AGENDA: 07/18/06 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER:

CRITICAL DATES: 30-day statutory deadline – July 26, 2006

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\060476.RCM.DOC

Case Background

On June 26, 2006, BellSouth Telecommunications, Inc. (BellSouth) filed a Petition to Initiate Rulemaking with the Commission. BellSouth seeks to have the Commission amend Rules 25-24.630 and 25-24.516, Florida Administrative Code.

Rule 25-24.630(1)(a)-(b) requires that services charged by an operator services provider for an intrastate 0+ or 0- call from a pay telephone or in a call aggregator context not exceed \$.30 per minute plus \$3.25 (person-to-person) or \$1.75 (non person-to-person).

Rule 25-24.516(1)(a)-(g), requires that charges for provision of operator service within pay telephone premises' equipment not exceed:

Local coin calls – posted rate

Extended area service (EAS) coin calls – local coin call rate

Extended calling scope (ECS) calls – local coin rate

0+ toll non person-to-person - \$.30 per minute + \$1.75

0+ toll person to person - \$.30 per minute + \$3.25

0+ non person-to-person local – local coin rate + \$1.75

0+ person-to-person local – local coin rate + \$3.25

BellSouth notes that the foregoing allowable charges have been in place for over seven years and that the telecommunications industry, technology, and competition in Florida have changed since those charges were established. BellSouth believes that the charges should be amended to set allowable charges that either better reflect a competitive market or eliminate the limitations entirely.

Specifically, BellSouth believes that Rule 25-24.630 should not apply to services charged and billed to an end user by an operator services provider for an intrastate 0+ or 0- call made in a call aggregator context. BellSouth notes that end users who stay in hotels, resort condominiums, rooming houses, etc., have numerous available alternatives.

Pursuant to section 120.54(7), Florida Statutes, the Commission must act on the Petition within 30 days of its filing. The 30 day-period ends on July 26, 2006.

Discussion of Issues

Issue 1: Should the Commission grant BellSouth's petition to initiate rulemaking to amend Rules 25-24.630 and 25-24.516, Florida Administrative Code?

Recommendation: Yes, the Commission should grant the Petition in part. A rule development workshop should be held before the Commission decides to amend the rule in the form requested by the Petitioner. (Bellak, Moses)

Staff Analysis: BellSouth has not proposed new allowable limitations on the rates charged for operator services in the specified circumstances addressed by Rules 25-24.630 and 25-24.516, only that the limitations reflect the current technological and competitive conditions of the telecommunications industry in Florida or be eliminated entirely.

If the Commission follows staff's recommendation, then a Notice of Rule Development will be issued and a workshop will be held. This will give staff an opportunity to collect information from BellSouth, other industry participants, and the public that is needed to evaluate the proposed changes.

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Issue 2: Should the docket be closed?

Recommendation: No. (Bellak)

Staff Analysis: If the Commission accepts staff's recommendation to grant BellSouth's Petition to Initiate Rulemaking, this docket should remain open.