

Decision 89 02 025 FEB 8 1989**ORIGINAL**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Mailed

In the Matter of the Application of )  
 MCI Telecommunications Corporation )  
 (U-5011-C) for a Certificate of )  
 Public Convenience and Necessity to )  
 provide High Speed Digital Private )  
 Line Service for the purpose of )  
 intraLATA transmissions at speeds of )  
 1.544 mbps or higher throughout the )  
 State of California. )

FEB 9 1989

Application 88-10-053  
(Filed October 31, 1988)OPINIONSummary

This decision grants applicant, MCI Telecommunications Corporation (MCI) a certificate of public convenience and necessity (CPCN) to provide intraLATA 1.544 mbps high speed digital private line service in accordance with the rates and charges and special conditions set forth in its proposed Advice Letter and associated tariff sheets in Appendix A hereto. These tariff provisions are to become effective five days after filing, but not earlier than February 15, 1989.

Background

On October 31, 1988, MCI filed Application (A.) 88-10-053 in which it seeks a CPCN to provide intraLATA 1.544 mbps high speed digital private line service at 1.544 mbps or higher in accordance with the modified settlement adopted by this Commission in Decision (D.) 88-09-059, dated September 28, 1988, which approved with certain modifications a settlement reached by many of the parties in Phase I of Investigation (I.) 87-11-033.<sup>1</sup>

<sup>1</sup> I.87-11-033 is the Commission's investigation of alternative regulatory frameworks for local exchange telephone companies.

Appendix A of D.88-09-059 prescribes the following conditions for competition for intraLATA high speed digital private line services:

"Competitive providers in high speed digital markets may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.

"For purposes of this document, digital private line services at 1.544 megabits per second (mbps) or above are considered to be 'high speed digital private line' service. As used herein, 'intraLATA high speed digital private line' service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services. Competitive carriers may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 mbps or above.

"This document does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 mbps." (D.88-09-059, Appendix A, mimeo. p. 8.)

In D.88-09-059 we also concluded that authorizations granted for provision of competitive intraLATA high speed digital private line services should be coincident with the effectiveness of local exchange carrier pricing flexibility for such services (D.88-09-059, mimeo. p. 8). Since that time, Pacific Bell (Pacific) and GTE California, Incorporated (GTEC) have requested pricing flexibility for these services in A.88-10-012 and A.88-10-017, respectively. Workshops were held in those matters and they are scheduled for Commission consideration at today's meeting as well. The parties appearing at the recent Pacific and GTEC workshops, including representatives of MCI agreed that it would be most desirable if all of the current applications for

authority to provide competitive intraLATA high speed digital private line services were approved with the same effective date for commencing service.

Description of Applicant

MCI is a Delaware Corporation whose principal place of business is 1133 Nineteenth Street N.W., Washington, D.C. 20036. MCI is also a telecommunications company, in good standing, qualified to, and actually doing business in California, through its Pacific Division offices at 201 Spear Street, San Francisco, California.

In support of this application MCI provided evidence of its authority to do business in California including a reference to the certified copy of its Articles of Incorporation on file with this Commission in application (A.) 82-12-021. MCI also appended its most recent financial statements including its Balance Sheet and Income Statement for the quarter ending June 30, 1988 to the application. The data supplied with and referenced in the application confirms that MCI has the financial resources, broad communications knowledge, and technical expertise to effectively undertake this new communications business activity in California.

Description of Proposed Service

IntraLATA 1.544 mbps high speed digital private line service<sup>2</sup> is a dedicated full period data communications service as previously discussed herein.

MCI proposes to use its own existing facilities and special access services of the local exchange telephone companies to provide these intraLATA high speed digital private line services. All services furnished by MCI will be provided by dedicated, nonswitched facilities.

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<sup>2</sup> AT&T-C refers to this service as ACCUNET T1.5 service in its High Capacity Private Line Services - Tariff Schedule B-9.

MCI is not seeking authority for construction of facilities in this application, therefore, granting this application would not likely have a significant adverse impact on the environment. Also, since MCI intends to use existing facilities to furnish the proposed intraLATA services, it requests a waiver of the Rule 18j requirement of the Commission's Rules of Practice and Procedure to estimate the customer potential for this service during the first and fifth full year of operation. MCI contends that its existing customers will not be affected if this intraLATA service does not develop. It would also be difficult for MCI to estimate the magnitude of the emerging competition or the share of business that it would realize in that competitive market, during the first and fifth year of operation.

MCI believes that its proposed service will offer a number of benefits to consumers, as follows:

1. This MCI service will expand the availability of services designed to meet specific customer needs;
2. MCI's competitive entry will expand the availability of intraLATA high speed digital private line service facilities to the public;
3. MCI's entry in this market will aid in developing an advanced telecommunications infrastructure which is critical to the economic development of California; and,
4. MCI's services will improve the quality and reliability of similar services offered by carriers to the public by providing competitive alternatives to existing carriers.

#### Notice of Application and Protests Received

MCI opines that it is likely to compete with existing carriers and prospectively with other telecommunications providers when it offers this new service. Therefore, in accordance with Rule 18b of the Commission's Rules of Practice and Procedure, it

has served copies of this application on others with which it is likely to compete. MCI has also served copies of this application on the current list of interested parties to I.87-11-033.

Subsequently on December 2, 1988 the Commission's Division of Ratepayer Advocates (DRA) protested this application for lack of adequate notice and/or inclusion of MCI's proposed rates for this new intraLATA service. DRA also requests that MCI be required to furnish a rate comparison exhibit to compare its rates with those proposed by Pacific Bell and GTEC. In addition, DRA recommends that we institute reporting requirements for MCI when we authorize this new service as follows:

- "a. Quarterly reports for a two-year period beginning with the effective date of MCI's rates and charges, be filed with the Commission's Advisory and Compliance Division (CACD) with copies to the DRA - Telecommunications Rate Design Branch which provide the following recorded data for MCI's Hicap Service:
  - "1. monthly in-service volumes.
  - "ii. monthly inward movement volumes.
  - "iii. monthly recurring billings by tariff rate item.
  - "iv. monthly nonrecurring billings by tariff rate item.
  - "v. monthly costs by rate element for recurring rates.
  - "vi. monthly costs by rate element for nonrecurring charges on a work function by work function basis.
- "b. The format of these quarterly reports should be determined in consultation with CACD.
- "c. MCI shall file the quarterly reports 45 days after the end of the respective quarter for which the report applies."

DRA asserts that the Commission will need this information to keep abreast of developments in the intralATA Hicap<sup>3</sup> market and to determine whether or not intralATA Hicap service is competitive. Additionally, this information is needed by the Commission to protect competitors against anticompetitive behavior, e.g. below cost pricing.

Lastly DRA requests that any advice letter and associated tariff revisions filed by MCI for this new offering be made effective on not less than five (5) days' notice of the filing. DRA contends that such filings should include a supporting rate comparison exhibit as well.

On December 13, 1988, MCI responded to DRA's protest asserting that its application complied fully with all requirements established by the Commission and should be granted. MCI asserted that DRA's objections to and recommendations regarding reporting, timing and future advice letter filings were all inconsistent with the Commission's treatment of nondominant carriers and incompatible with the modified settlement approved by the Commission in D.88-09-059.

However, separately on December 16, 1988, MCI forwarded a letter to Counsel for DRA containing the cost comparison and rate information requested by DRA as support for MCI's instant application.

On January 12, 1989 DRA withdrew its protest of this application based on MCI's December 16, 1988 letter and rate information. In its withdrawal pleading, DRA stated that it did not change its views or comments of December 2, 1988, apparently referring to its previously recommended reporting requirements.

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<sup>3</sup> Hicap is still another name being used to refer to high speed digital private line service.

Discussion

MCI currently provides interLATA high speed 1.544 mbps digital private line service between the cities of Los Angeles, Oakland, Sacramento, San Francisco, San Jose and Santa Ana in California. The additional authorization sought herein would allow MCI to compete in the intraLATA market for these cities as well. MCI will use its existing facilities along with special access services of the local exchange telephone companies to provide these services. All services furnished by MCI under this proposal will be provided via full period, dedicated, nonswitched facilities, as contrasted to time sharing of a private line service using switched satellite facilities, or traditional switched message toll telephone service.

In D.88-09-059 we concluded that competition to provide intraLATA high speed digital private line services according to the conditions in the adopted modified settlement is in the public interest, and accordingly we allowed potential competitors to request such authorization.

We concur with the comments received from Pacific that, per its understanding, MCI's proposed service will be provided in compliance with the requirement of D.88-09-059 (Appendix A, Section IV. A.1.a.), and will limit the authority granted herein accordingly.

The reporting requirements suggested by DRA, as set forth earlier herein, deserve careful review and consideration, and two points of view become apparent. On one hand, the Commission recognizes the presence of competitors in this marketplace and the need to address this presence with the proper regulatory framework, which we will adopt today. On the other hand this market structure is in its embryonic stage. While we will allow market forces to take their effect, we nevertheless cannot abandon our responsibility of regulating this industry. In order to provide adequate oversight, some monitoring is in order. A recent example

is the monitoring program we adopted for AT&T - Communications of California (AT&T-C) in D.88-12-091. While we agree with DRA's recommendation for reporting in concept, we find that its specific recommendation may be burdensome, especially when we are moving toward an observation and monitoring approach for regulating even the dominant interexchange carrier, AT&T-C. Therefore, we will adopt a more modest version of that recommendation, as follows:

1. MCI will be required to submit semiannual reports for a two-year period beginning with the effective date of MCI's rates and charges. The reports will be filed with the CACD with copies to the DRA - Telecommunications Rate Design Branch and will contain the following recorded data for MCI's intraLATA 1.544 mbps high speed digital private line service:
  - a. Monthly in-service volumes.
  - b. Monthly inward movement volumes.
  - c. Monthly recurring billings by tariff rate item, and,
  - d. Monthly nonrecurring billings by tariff rate item.
2. The format of these semiannual reports should be determined in consultation with CACD.

This reporting requirement will sunset with the submission of the report for the semiannual period ending December 31, 1990.

Finally, at the workshops held for A.88-10-012 and A.88-10-017 Pacific, GTEC and others reminded us of the timing provisions in D.88-09-059. In that decision, we agreed to take action on all conforming requests for authority to provide competitive intraLATA high speed digital private line services which were filed no later than October 31, 1988, with any resulting authorizations to be effective coincident with the effectiveness of local exchange carrier pricing flexibility for these services. To



that end, we will coordinate the effectiveness of MCI's expanded authority and the local exchange carriers' pricing flexibility to become effective at the same time, namely on February 15, 1989.

We conclude that the authority which MCI requests should be granted as provided by this order.

Since there is a need to make the tariffs for this service effective on the same date (February 15, 1989) as that for local exchange carrier pricing flexibility for these services, and DRA's timely protest to this application has been withdrawn, we will make this order effective today.

Findings of Fact

1. MCI is a nondominant carrier (telephone corporation) organized under California law and a regulated utility as defined under PU Code § 234.
2. MCI is requesting a CPCN to provide 1.544 mbps high speed digital private line service on an intraLATA basis in California, as a complement to its current interLATA service offerings.
3. All timely protests filed relative to this application have been withdrawn; therefore no hearing is deemed necessary for processing this application.
4. MCI's request for a waiver of Rule 18j requirements of the Commission's Rules of Practice and Procedure is reasonable, especially since no new facilities are necessary for rendering the proposed service, and MCI cannot accurately determine the market share of the emerging competitive business it will enjoy.
5. MCI has the technical ability to provide this proposed service on a safe, effective, reliable, and continuous basis.
6. MCI asserts that it has the financial integrity to effectively implement the proposed service without any significant impact on its other telephone utility operations.
7. It can be seen with reasonable certainty that granting this application will not have a significant adverse impact on the environment.

8. In D.88-09-059, we concluded that competition to provide intraLATA high speed digital private line services as provided in the adopted modified settlement in Phase I of I.87-11-033 is in the public interest and should be authorized.

9. MCI has agreed that it will not multiplex this service below 1.544 mbps.

10. MCI has also agreed not to switch intraLATA voice or data traffic pursuant to this application.

11. In D.88-09-059, we concluded that it is reasonable to coordinate the effectiveness of any authorization granted to interexchange carriers to provide intraLATA high speed digital private line services with the effectiveness of local exchange carrier pricing flexibility for such services.

12. There is no reason to treat MCI differently than other interexchange carriers regarding the granting of authority to provide intraLATA high speed digital private line services.

13. Public convenience and necessity require the granting of A.88-10-053 to the extent set forth in the Ordering Paragraphs which follow.

#### Conclusions of Law

1. MCI plans to use its existing facilities to furnish the proposed competitive service and therefore its request of a waiver of the Rule 18j requirement of the Commission's Rules of Practice and Procedure to estimate first and fifth year customer potential for this service is reasonable and should be granted.

2. MCI's request for authority to provide intraLATA 1.544 mbps high speed digital private line service set forth in its A.88-10-053 is consistent with the provisions of D.88-09-059 and should be granted to the extent set forth in the Ordering Paragraphs hereof.

3. MCI should be prohibited from holding out the availability of other intraLATA services it is not authorized to provide and should be required to advise its customers that

intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

4. The effective date of MCI's statewide intraLATA high speed digital private line service authority should be coincident with the effective date of similar tariffs to be filed by Pacific and GTEC pursuant to decisions in A.88-10-012 and A.88-10-017, respectively.

5. In order to allow MCI to make these services available on February 15, 1989 this order should be effective today.

6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

#### ORDER

##### IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to MCI Telecommunications Corporation (MCI) to provide intraLATA high speed digital private line services at 1.544 mbps or higher within all LATAs in California subject to the following conditions:

- a. MCI may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
- b. Digital private line services at 1.544 megabits per second (mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.

- c. MCI may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 mbps or above.
- d. This authority does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 mbps.
- e. MCI must establish rates and charges for its intraLATA high speed digital private line service above its cost of providing such service.
- f. MCI shall refrain from holding out to the public the provision of any intraLATA services it is not authorized to provide.
- g. MCI shall advise its subscribers that intraLATA communications which MCI is not authorized to provide should be placed over the facilities of an authorized carrier.

2. MCI is hereby authorized to file an advice letter and associated tariff sheets identical to Appendix A to this order for its initial offering of intraLATA high speed 1.544 mbps digital private line service.

3. The advice letter and associated tariff sheets described in Ordering Paragraph 2, above, shall be filed in compliance with the provisions of General Order 96-A after the effective date of this order. The revised schedules shall apply only to service rendered after their effective date which shall be at least five days after filing, but not earlier than February 15, 1989.

4. The requirements of G.O. 96-A relative to the effectiveness of tariffs after filing are waived in order that future tariff revisions for this competitive intraLATA service may become effective on five days notice after filing.

5. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding; absent such filing, the authority granted by this certificate shall be automatically revoked.

6. Applicant shall notify the Commission Advisory and Compliance Division (CACD) Director in writing of the date service is first rendered to the public as authorized herein, within 5 days after service begins.

7. Applicant shall monitor the implementation of its intraLATA 1.544 mbps high speed digital private line service and shall submit semiannual reports for a two-year period beginning with the effective date of the rates and charges for this service as authorized herein. These reports shall be filed with the CACD with copies to the DRA-Telecommunications Rate Design Branch and shall include the following recorded data for applicant's intraLATA 1.544 mbps high speed digital service:

- a. Monthly in-service volumes.
- b. Monthly inward movement volumes.
- c. Monthly recurring billings by tariff rate item.
- d. Monthly nonrecurring billings by tariff rate item.

The format of these semiannual reports shall be determined in consultation with the CACD staff.

8. The reporting requirement of Ordering Paragraph 7 shall commence within 45 days after June 30, 1989, and shall terminate upon submission of the report for the semiannual period ending December 31, 1990, to be submitted on or before February 14, 1991.

9. Within 60 days after the effective date of this order, MCI shall prepare and issue to every employee who, in the course of his or her employment, has occasion to enter the premises of customers or subscribers of the corporation an identification card

in a distinctive format having a photograph of the employee. MCI shall require every employee to present the card upon requesting entry into any building or structure on the premises of a customer or subscriber, as set forth in P.U. Code § 708.

10. The certificate granted and the authority to render service under the rates, charges, and rules authorized herein will expire if not exercised within 12 months after the effective date of this order.

11. The corporate identification number currently assigned to MCI Telecommunications Corporation is U-5011-C, which should continue to be included in the caption of all original filings with this Commission, and in the title of other pleadings filed in existing cases.

12. IntraLATA 1.544 mbps high speed digital private line service is a utility service and is subject to the user fee as a percentage of gross intrastate revenue under PU Code §§ 431 through 435.

13. This proceeding is closed.

This order is effective today.

Dated FEB 8 1988, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. O'BRIEN  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

*[Signature]*  
Victor Waisort, Executive Director

MCI Telecommunications  
Corporation  
Pacific Division  
201 Spear Street  
Ninth Floor  
P O Box 7167  
San Francisco California 94120  
415 978 1100

# DRAFT

Advice Letter No. \_\_\_\_\_  
Public Utilities Commission of  
The State of California

MCI Telecommunications Corporation (MCI) hereby files revisions to its California Tariff No. 1, the revised pages of which are attached hereto.

<u>Cal. PUC Schedule</u>	<u>Cal. PUC Sheet No.</u>	<u>Revision No.</u>	<u>Title of Sheet</u>
1-T	1	30	Check Sheet
1-T	4	14	Preliminary Statement
3-T	1	3	Check Sheet
3-T	2	2	Dedicated Leased Line
3-T	3	3	Dedicated Leased Line
3-T	4	2	Dedicated Leased Line
3-T	5	2	Dedicated Leased Line

This filing is made pursuant to the California Public Utilities Commission Decision \_\_\_\_\_, dated \_\_\_\_\_, 1989. That Decision granted MCI the authority to offer IntraLATA High Speed Digital Private Line Service.

This revision is filed to become effective on not less than five days notice, as per the Decision, on February 15, 1989.

Copies of this Advice Letter and revised tariff pages are being forwarded to all competing and adjacent inter-exchange carriers as prescribed by General Order 96-A, Section III, 6.

Sincerely,

Patrick Chow  
Rates & Tariffs

CHECK SHEET

**DRAFT**

The Title sheet and sheets 1-8 inclusive of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>
Title	ORIGINAL
1	30*
2	6
3	7
4	14*
5	15
6	12
6.1	8
6.1.1	ORIGINAL
6.2	1
6.3	1
7	ORIGINAL
8	ORIGINAL

\* Sheets Included

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Chow \_\_\_\_\_ Date Filed \_\_\_\_\_  
Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_



MCI Telecommunications Corporation  
 201 Spear Street  
 San Francisco, California 94105

13TH REVISED SHEET NO. 4  
 CANCELS 13TH REVISED SHEET NO. 4

PRELIMINARY STATEMENT

**DRAFT**

1. APPLICATION OF TARIFF

This tariff contains the rules, regulations, descriptions and rates applicable to the furnishing of interLATA intracity Telecommunications Services offered by MCI and participating carriers within the State of California.

2. SERVICES FURNISHED

- .01 Dedicated Leased Line Service
- .02 Metered Use Service:
  - Option A: Execumat
  - Option C: MCI WATS
  - Option D: Credit Card
  - Option E: Vnet
  - Option F: Hotel WATS
  - Option G: MCI Prism I
  - Option H: MCI Prism II
  - Option I: MCI Prism III/CAL WATS
  - Option K: MCI 800 Service
  - Option L: MCI Prism Plus
- .03 CCSA Service
- .04 Supplemental and Supportive Services

3. PROCEDURE TO OBTAIN SERVICES

Service as described herein will be furnished to any individual, firm, or corporation in the Carrier's service area when an application is made as set forth in Rule No. 3, (Schedule CAL P.U.C. No. 2-T) and credit has been established or re-established as specified in Rule No. 6. (Schedule CAL P.U.C. No. 2-T).

4. TERRITORIES SERVICED

.01 Dedicated Leased Line Service Availability:

(a) Digital Service:

Digital Data and Terrestrial Digital Service and Metered Use Service Option H (MCI Prism I) are available between the following cities and from these locations to all other locations within the State of California, except where the originating and terminating cities are within the same LATA (except for Terrestrial Digital Service 1.544 Mbps which is available for interLATA and intralATA). (N)  
(N)

Los Angeles	Sacramento	San Francisco	*Santa Barbara
Oakland	San Diego	San Jose	*Sherman Oaks
		Santa Ana	*Ventura

Where facilities permit, Terrestrial Digital Service (including T-1 Digital Access) is also available between the Terminal locations set forth in Section 4.01(b) below.

(b) Analog Service:

Dedicated Leased Line Analog Service is available between the following locations within the State of California, except where the originating and terminating cities are located within the same LATA. MCI Prism I Service (Metered Use Service - Option H) is available from the following cities if Analog Local Access is used.

Bakersfield	Inglewood	Palo Alto	San Francisco
Chico	Los Angeles	Rialto	San Jose
Dominguez Hills	Oakland	Sacramento	Santa Ana
Fresno	Oceanside	Salinas	Sherman Oaks
Hayward	Palm Desert	San Diego	Stockton

\* Digital Data Service is not available

(Continued)

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Choy \_\_\_\_\_ Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_

\* Correction needed.

Resolution No. \_\_\_\_\_

CHECK SHEET

Sheet 1 - 5 inclusive of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

SHEET

REVISION

1  
2  
3  
4  
5

3\*  
2\*  
3\*  
2\*  
2\*

**DRAFT**

\* Sheets Included

(Issued By)

Advice Letter No. \_\_\_\_\_

Patrick Chow

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

Rates and Tariffs

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

DEDICATED LEASED LINE SERVICE

**DRAFT**

1. General Description

Dedicated Leased Line Service is offered in the form of discrete intercity communications facilities which are dedicated to the use of a specific customer and are billed at pre-determined fixed monthly rates. The customer may elect to have MCI provide local facilities, may provide his own, or may arrange for any combination thereof. Dedicated Leased Line Service is offered in the following transmission modes:

- .01 Voice Grade Service is offered in increments of one or more voice grade channels, each with nominal bandwidth of 4 KHz. Such voice grade channels of voice grade channels may be utilized, on a permissive basis, for voice service, data service, facsimile service or combinations thereof, and may be interconnected with the facilities of other communications carriers and users for a customer's communications needs. MCI will provide, if required, a handset at each circuit end as part of this service.
- .02 Data Service is offered at approximate data speeds of 0-300, 1200, 2400, 4800, 7200, or 9600 bits per second (b.p.s.).
- .03 Alternate Voice/Data Service is offered with the capacity of voice grade communications and data communications on an alternate use basis. If required, MCI will provide a handset at each circuit end as part of this service.
- .04 Telexlinker Service is offered at transmission speeds of 0-75 baud and 0-150 baud.
- .05 Terrestrial Digital Service - 1.5 (TDS-1.5) is a point-to-point dedicated circuit used for simultaneous two-way transmission of serial bipolar, isochronous digital signals at a transmission speed of 1.544 Mbps. This service is available on an interLATA and/or intraLATA basis. (N)

2. Territory

Dedicated Leased Line facilities are available between the MCI Metropolitan Area Terminal City Locations as set forth in the Preliminary Statement, Schedule 1-t (Section 4.01).

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Chow \_\_\_\_\_ Date Filed \_\_\_\_\_  
Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

DEDICATED LEASED LINE SERVICE

**DRAFT**

3. Rates and Charges

.01 Monthly Recurring Charges

.011 Circuit Terminations Per End

<u>Circuit Termination Type</u>		<u>Monthly Charge per Circuit - End</u>
<u>MCI-Provided*</u>		
Voice Grade Service:		
A	- Access line(s) to customer premises	\$ 36.75
B	- Interconnection to an interstate switched private line service furnished by another carrier	\$ 36.75/
Data Services <sup>2/</sup> :		
C	- 0-300, 1200, 2400 or 4800 bits per second (b.p.s.)	\$ 36.75
D	- 7200 b.p.s.	\$ 78.75
E	- 9600 b.p.s.	\$ 78.75
Alternate Voice/Data Service <sup>2/</sup> :		
F	- 0-300, 1200, 2400 or 4800 bits per second (b.p.s.)	\$ 36.75
G	- 7200 b.p.s.	\$ 78.75
H	- 9600 b.p.s.	\$ 78.75
Teleprinter Service:		
I	- 0-75 baud	\$ 57.75
J	- 0-150 baud	\$ 57.75
K	<u>Customer-Provided Business Telephone Line</u>	\$ 36.75
L	<u>Terrestrial Digital Service (TDS)</u>	
	- Local Access Channel - Monthly charges for each Local Access Channel will be calculated on an individual case basis, either in accordance with the charges set forth in the relevant Local Exchange Carrier's tariff; or charges set forth by the access provider. The total of the local charges imposed on MCI will be passed on to the customer.	(C) (C)

CERTAIN MATERIAL FORMALLY FOUND ON THIS PAGE CAN NOW BE FOUND ON SHEET NO. 4, SCHEDULE 3-1.

\* When an access line is provided by a Local Exchange Carrier, a \$25 Special Access Surcharge will be applied to each voice grade equivalent circuit end. Customers who use their access line for both intrastate and interstate calling pay only one Surcharge per access line a month. The Surcharge, however, will not apply to those customers who furnish MCI with an Exemption Certification (as defined herein).

1/ The customer may elect to pay Voice Grade Circuit Termination Charges for permissive data use.

2/ MCI warrants that if the customer selects a data termination, the circuit will operate within normally acceptable error rate parameters. Such parameters are available upon request. If the customer desires additional conditioning, such conditioning shall be considered a Special Customer Arrangement and will be billed accordingly.

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Chow \_\_\_\_\_ Date Filed \_\_\_\_\_  
 Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

DEDICATED LEASED LINE SERVICE

**DRAFT**

3. Rates and Charges (Cont.)

.01 Monthly-Recurring Charges (Cont.)

.012 Long Haul Charges

(L)

.0121 Voice/Data/Alternate Voice Data Service

All charges based on airline mileages as calculated using the formula presented in the Preliminary Statement, Schedule No. 1-T (Section 5).

<u>Mileage/Ckt.</u>	<u>Rate/Month/Ckt.</u>
1	\$ 60.75
2-15	\$ 60.75 + \$2.12/mile for each mile over 1 mile
16-25	\$ 90.43 + \$1.76/mile for each mile over 15 mile
26-100	\$ 108.03 + \$1.34/mile for each mile over 25 mile
101-Over	\$ 208.53 + \$ .75/mile for each mile over 100 mile

(L)

.0122 Teleprinter Service

To determine the appropriate Long Haul Charges for Teleprinter Services:

0-75 Baud - 50% of charges calculated under 3.0121

0-150 Baud - 75% of charges calculated under 3.0121

.0123 Terrestrial Digital Service (1.544 Mbps):

<u>Mileage/Ckt.</u>	<u>Rate/Month/Ckt.</u>
1-50	\$ 445.00 + \$19.95 for each mile
51-100	\$ 500.00 + \$18.45 for each mile
101+	\$ 575.00 + \$18.25 for each mile

.013 Short Haul Charge for Analog Service

A monthly short-haul charge of \$31.50 will apply to each circuit less than 176 miles in length.

.014 Optional Features

.0141 Supporting charge detail on magnetic tape \$100/Tape

.0142 Central Office Multiplexing provided by the Local Telephone Company (applicable to Terrestrial Digital Service only), will be calculated on an individual case basis, in accordance with the charges set forth in the relevant Local Exchange Carrier's tariff. The total of the charges imposed on MCI will be passed on to the customer.

.02 Non-Recuring Charges

<u>.021 For Voice/Data/Alternate Voice Data Service</u>	<u>Per Circuit End</u>	<u>Per Order</u>
.0211 Installation	\$ 80.00	\$ 50.00
.0212 Physical Change	80.00	50.00
.0213 Administrative Change	20.00	-0-
.0214 Expedite	-0-	105.00
.0215 Cancellation of Order	130.00	-0-
.0216 Disconnection	-0-	-0-
.0217 Billing Record Change	-0-	-0-

CERTAIN MATERIAL ON THIS SHEET WAS PREVIOUSLY FOUND ON SHEET NO. 3, SCHEDULE 3-T.

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Chow \_\_\_\_\_ Date Filed \_\_\_\_\_  
 Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

DEDICATED LEASED LINE SERVICE

3. Rates and Charges (Cont.)

**DRAFT**

.02 Non-Recurring Charges (Cont.)

.022 For Terrestrial Digital Service      Per Circuit End      Per Order

.0221	Installation	ICB	\$ 50.00
.0222	Physical Change	ICB	50.00
.0223	Administrative Change	\$ 20.00	-0-
.0224	Expedite	-0-	105.00
.0225	Cancellation of Order	130.00	-0-
.0226	Disconnection	-0-	-0-
.0227	Billing Record Change	-0-	-0-

.023 Other Non-Recurring Charges

- .0231 Additional extension handset connection (per connection)      35.00
- .0232 Set-up Charges: Supporting Charge Detail on Magnetic Tape      500.00/Account
- .0233 Installation charges for Central Office Multiplexing provided by the Local Telephone Company (applicable to Terrestrial Digital Service only), will be calculated on an individual case basis, in accordance with the charges set forth in the the relevant Local Exchange Carrier's tariff. The total of the charges imposed on MCI will be passed on to the customer.

(Issued By)

Advice Letter No. \_\_\_\_\_ Patrick Chow \_\_\_\_\_ Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_ Rates and Tariffs \_\_\_\_\_ Effective \_\_\_\_\_

(END OF APPENDIX A)

Resolution No. \_\_\_\_\_

intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

4. The effective date of MCI's statewide intraLATA high speed digital private line service authority should be coincident with the effective date of similar tariffs to be filed by Pacific and GTEC pursuant to decisions in A.88-10-012 and A.88-10-017, respectively.

5. In order to allow MCI to make these services available on February 15, 1989 this order should be effective today.

6. Absent a determination of original cost of plant for applicant, in an evidentiary hearing, only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to MCI Telecommunications Corporation (MCI) to provide intraLATA high speed digital private line services at 1.544 mbps or higher within all LATAs in California subject to the following conditions:

- a. MCI may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
- b. Digital private line services at 1.544 megabits per second (mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.