

Decision 90 09 006 SEP 12 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GTE California Incorporated, a California corporation (U 1002 C), for authority to eliminate TDD equipment at Phone Marts, and to discontinue the sale of custom calling network services at Phone Marts.

ORIGINAL

Application 90-04-043 (Filed April 20, 1990)

O P I N I O N

GTE California Incorporated (GTEC) filed this application for authority to discontinue maintaining loaner Telecommunications Devices for the Deaf (TDD) in each GTEL phone mart (phone mart), and to discontinue the sale of GTEC custom-calling network services in the phone marts. GTEL is a subsidiary of GTEC established to market, install, and maintain unregulated customer premise equipment (CPE). As discussed in D.90-02-018, the primary business activity of the phone marts is to sell and/or to rent telecommunications equipment. These phone marts are located in highly convenient locations. For the most part, they are located in shopping malls near other telecommunications vendors such as Best, Radio Shack, and Sears. In the first half of 1987, GTEC had 20 phone marts located throughout California.

GTEC filed this application on April 20, 1990. Notice of the application appeared on the Commission's Daily Calendar of April 30, 1990. On May 30, 1990, the Division of Ratepayer Advocates (DRA) filed a response supporting GTEC's request to remove loaner TDDs from the phone marts and to discontinue the sale of custom calling network services at the phone marts. No protests to the application were filed, therefore a public hearing is not necessary.

Pursuant to Decision (D.) 84-07-108, dated July 18, 1984, GTEC was required to maintain at least two loaner TDDs in each phone mart. By that decision, we required GTEC to keep at least two loaner TDDs in stock at the phone marts as a convenience for hearing-impaired TDD users so that they may have an opportunity to use the telephone network at all-times. Each telephone utility is required to provide a TDD capable of serving the needs of the deaf and severely hearing impaired, pursuant to Public Utilities Code § 2881. In response to Senate Bill (S.B.) 597 passed into law in 1979, we established a Deaf Equipment Acquisition Fund Trust (Trust) to facilitate providing telecommunications devices of the deaf and severely hearing-impaired. This Trust is funded through a monthly surcharge levied on each telephone access line, presently set at three-tenths of one percent (0.3%) on gross intrastate revenues.

On January 1, 1988, when GTEC's embedded CPE was fully deregulated, only deregulated CPE transactions could be conducted in the phone marts. However, because GTEC believed that it could better serve its TDD customers if the phone marts continued to be used as distribution facilities for TDD equipment, GTEC petitioned the Commission for authority to continue maintaining at least two loaner TDDs in each phone mart. By D.86-08-056 we granted GTEC's petition.

Subsequently, GTEC established a Special Needs Center (SNC). GTEC's SNC, staffed with certified representatives specially trained in communication with the hearing-impaired, arranges for the delivery of TDD equipment to GTEC hearing-impaired customers. The SNC staff also provides training on the use of the TDD at the customer's home or office.

TDDs are maintained at a centralized warehouse location directly linked to the SNC's on-line customer order entry computer system. When necessary, the SNC is able to send equipment overnight or to send a field representative to a customer's home.

GTEC believes that the TDDs currently required to be maintained in the phone marts could be put to more efficient use at the SNC. Further, GTEC believes that it could provide better service to its TDD customers because GTEC personnel are not readily able to communicate with the TDD customer in sign language as are the SNC staff, nor are GTEC personnel familiar with the maintenance of a TDD.

GTEC has no need to continue maintaining TDD equipment in the phone marts. However, it wants to continue to use the phone marts as a delivery and pick-up point, on an as-needed basis. This would allow the SNC to maintain its mechanized inventory controls while offering TDD customers the option of using phone marts as a walk-in point.

We concur with GTEC that the TDDs kept on loaner status at the phone marts could be put to more efficient use at the SNC. Therefore, we will authorize GTEC to discontinue maintaining TDDs in each phone mart and authorize GTEC to relocate these TDDs to GTEC's centralized warehouse directly linked to the SNC's on-line customer order entry computer system.

Subsequent to the January 1, 1988 deregulation of embedded CPE, GTEC obtained authority to continue selling custom calling network services at the phone marts. GTEC does not identify the custom calling network services offered at the phone marts. However, Attachment A to DRA's Exhibit D, to Application 83-07-02, identifies call-waiting and call forwarding as two specific custom calling features. Call-waiting alerts a caller of another call while a caller is talking in the telephone. Call forwarding enables a customer to forward calls from one telephone number to another telephone number.

Although D.84-07-108 required GTEC to stop receiving customer service orders in phone marts when embedded CPE was deregulated, GTEC filed a petition to rescind this requirement. Ordering Paragraph 10a of D.86-08-056 permitted GTEC to authorize

GTEL personnel to continue selling GTEC's custom-calling network services at the phone marts. The ordering paragraph did not require GTEC to use the phone marts.

Now, GTEC asserts that it is not cost-effective to continue the sale of custom-calling network services in the phone marts because customer service orders are no longer accepted in the phone marts. Accordingly, GTEC requests that it be authorized to discontinue the sale of custom calling network services in the phone marts 45 days after the effective date of this decision. The 45-day delay is requested so that GTEC can develop signs to advise customers entering the phone marts that custom-calling network services may no longer be placed with GTEL phone mart representatives. GTEC will continue to accept orders for custom-calling network services over the telephone, similar to its method of accepting other customer service orders.

It may have not been necessary for GTEC to seek authority to discontinue selling custom-calling network services at the phone marts. However, absent such a request, GTEC would retain discretion to re-offer such service in the future. In response to GTEC's October 26, 1987 petition to modify D.84-07-108, DRA also concluded that it is not cost-effective for GTEC to continue the sale of custom-calling network services in the phone marts, (Exhibit D of Application 83-08-02). Therefore, we will authorize GTEC to discontinue the sale of custom-calling network services in the phone marts.

Findings of Fact

1. D.84-07-018 and D.86-08-056 required GTEC to maintain at least two loaner TDDs in each phone mart.
2. GTEC's SNC arranges for the delivery of TDD equipment to GTEC hearing-impaired customers and provides training on the use of the TDD at the customer's home or office.
3. The SNC is able to send TDD equipment to a customer overnight.

4. GTEL personnel are not readily able to communicate with the TDD customer in sign language as are the SNC staff, nor are GTEC personnel familiar with the maintenance of a TDD.

5. It is not cost-effective for GTEC to continue the sale of custom-calling network services in the phone marts.

6. DRA supports GTEC's request to remove loaner TDDs from the phone marts and to discontinue the sale of custom-calling network services at the phone marts.

Conclusion of Law

GTEC's application should be granted as provided in the following orders.

O R D E R

IT IS ORDERED that:

1. GTE California Incorporated (GTEC) shall discontinue maintaining Telecommunications Devices for the Deaf (TDDs) in each GTEL phone mart (phone mart). TDDs currently located in phone marts shall be relocated to GTEC's centralized warehouse directly linked to GTEC's Special Needs Center on-line customer order entry computer system.

2. GTEC may continue to use GTEL phone marts as a TDD delivery and pick-up point, on an as-needed basis.

3. GTEC shall discontinue the sale of custom-calling network services in phone marts effective 45 days after the effective date of this decision.

4. GTEC shall provide notice to customers who enter GTE phone marts that GTEL representatives no longer take orders for custom-calling network services, as identified in this decision.

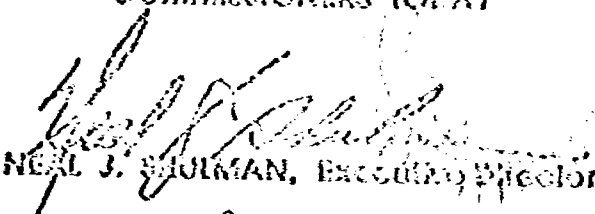
This order is effective today.

Dated SEP 12 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
PATRICIA M. ECKERT
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

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


NEAL J. SHULMAN, Executive Director

pb