

APR 11 1991

Decision 91-04-024 April 10, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Expedited
Application of GTE California
Incorporated (U 1002 C), a
corporation, for approval of its
voice messaging service, and
associated services for enhanced
service providers.

ORIGINAL
(EAD)

Application 90-07-048
(Filed July 19, 1990)

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Incorporated, applicant.
Messrs. Armour, Goodin, Schlotz & MacBride,
by Thomas J. MacBride, Jr., Attorney at
Law, for Telephone Answering Services,
Inc., protestant.
A. J. "TONY" Di Tirro, for MCI Communications
Corporation; Eugene M. Graczyk, for AT&T
Communications Corporation; Mary L.
Vanderpan, Attorney at Law, for Pacific
Bell, and Carrington F. Phillip, for
California Cable TV Association,
interested parties.
Janice L. Grau, Attorney at Law, and
Hassan Mirza, for the Division of
Ratepayer Advocates.

INTERIM OPINION

GTE California Incorporated (GTEC) requests Commission approval to allow GTEC to provide voice messaging services to end users, which GTEC proposes to offer as detariffed Category III services. GTEC's voice messaging services will enable consumers to leave and retrieve voice messages via touch tone telephones, and will offer various features including storage, retrieval, reply, skip-back, and ahead. GTEC also requests Commission approval to provide Enhanced Service Providers (ESPs) with those Basic Service Elements (BSEs) necessary to permit ESPs to interconnect with

GTEC's network for the provision of voice messaging services to their own end users. These BSEs would be offered as Category I services, in conjunction with exchange access line service.

GTEC proposes to offer the services subject to the safeguards which are already a part of the Federal Communications Commission (FCC) Open Network Architecture (ONA) requirements that are applicable to the Regional Bell Operating Companies (RBOCs). When the FCC established its ONA procedures in connection with its Order in Computer Inquiry III, it did not require GTE Telephone Operating Companies (GTOCs) and other independent telephone companies (ITCs) to file formal ONA plans. Instead, its order only applied to the RBOCs. However, the FCC held that if the GTOCs or the ITCs offer enhanced services, they would be expected to offer such services with appropriate safeguards that reflect the spirit of ONA. In compliance with those considerations, GTEC intends:

- (1) to offer voice messaging enhanced services to its end users and
- (2) to restructure GTEC tariffs in a way that provides nondiscriminatory exchange network access to ESPs seeking to offer their own voice messaging services to end users in GTEC's service area.

GTEC will provide unaffiliated ESPs with nondiscriminatory access to its network under the same terms as those that will apply to GTEC's own enhanced services offerings. More specifically, GTEC will:

1. Provide voice messaging services to end user customers on a nontariffed basis, without structural separation.
2. Purchase BSEs necessary to provide its voice messaging service under the rates, terms, and conditions set forth in its proposed ESP tariff.
3. Offer to ESPs nondiscriminatory equal access to GTEC's BSEs at the same rates and subject to the same terms and conditions applicable to the BSEs used by GTEC for its own enhanced service offerings.

4. Provide voice messaging services on a below-the-line basis as Category III services pursuant to Decision (D.) 89-10-031.
5. Treat Customer Proprietary Network Information (CPNI) pursuant to CPNI rules established by the FCC and in accordance with California Public Utilities (PU) Code § 2891.
6. Provide updates of network changes that affect the interconnection of ESPs to the network pursuant to the FCC All Carrier Rule imposed upon GTEC.

In D.89-10-031, the Commission adopted a regulatory framework which places enhanced services in Category III. (Mimeo. p. 199.) This category includes all services which have been detariffed by legislative or judicial action as well as services which are fully competitive over which the companies do not exert substantial market power. (See D.89-10-031 and D.90-04-031.)

GTEC asserts that its voice messaging services should be classified as a Category III service, since GTEC has minimal market power and because significant competition already exists. As a fully competitive service, the revenues and expenses associated with GTEC's voice messaging service should not be included in the calculation of earnings.

The Division of Ratepayer Advocates (DRA) protested the application and requested denial because the application fails to allege compliance with the cost tracking requirements adopted in D.89-10-031. DRA notes that this application is GTEC's first ONA-related filing. Pacific Bell (Pacific) previously filed applications for interim authority to offer six basic service elements: voice mail, protocol conversion, electronic messaging services, gateway services, voice store and forward, and fax store and forward. The Commission gave Pacific interim authority to offer all of those services, except gateway, in D.88-11-026,

D.88-11-027, D.89-05-020, D.89-09-049, and D.90-07-052. In each decision, the Commission required Pacific to track, as follows:

"All revenue, investment, and other expense amounts which are directly or indirectly incurred or otherwise might be associated via cost allocation with the services offered under this interim authority shall be placed in separate tracking accounts and reported monthly to the Commission Advisory and Compliance Division (CACD). Wherever estimated or allocated amounts are involved, the methodology used for such estimation or allocation shall be described and worksheets detailing computations shall be provided. Separate accounts shall be maintained for each enhanced service offered under this interim authority. For tracking purposes, all revenues received and investment and other expenses incurred from the date that planning, research or development began for each service should be included." (Ordering Paragraph 2, D.88-11-027.)

In D.89-10-031, the Commission granted local exchange carriers authority to file applications to provide enhanced services, basic service elements, and any new services comparable to basic service elements which might be offered. The Commission in that decision also adopted the tracking requirements it had required in the decisions granting Pacific interim authority for enhanced services and basic service elements. (D.89-10-031, pp. 306-307.)

DRA originally contended that GTEC does not have adequate tracking procedures to satisfy either standard business needs or regulatory goals of avoiding cross-subsidies and anticompetitive behavior. DRA originally requested that the Commission deny this application and require GTEC to renew its application when it could comply with Commission-mandated tracking procedures.

DRA's specific concerns with GTEC's ability to track costs are:

1. GTEC is using utility employees, plant, operational support systems, official company services, and facilities to provide enhanced services (order taking, repairs, etc.). GTEC cannot specifically identify the support systems and joint investments used to provide voice messaging or whether it has a standardized cost tracking plan, manual, and specific standards to comply with.
2. GTEC cannot explain the internal process utilized to identify and track enhanced service research and development.
3. There is no product specific tracking for costs incurred at GTE Corp. and transferred to GTEC.
4. GTEC's tracking plan did not specifically address the imputation of tariffed rate charges for tariffed services used in the provision of voice messaging, nor was there any line item provided in the cost tracking reports for tariff rate imputation.

An association known as Telephone Answering Service of California, Inc. (TASC) protested the application. TASC members provide voice mail and other enhanced services as well as live answering service. As such, they are ESPs that now offer voice messaging services to end users in GTEC's service areas and hope to continue to do so in the future. TASC is vitally interested in being permitted to compete with GTEC in the enhanced service market on a fair and equitable basis and, as such, its interest is in insuring that (1) the services available through granting of the instant application are available to ESPs such as the members of TASC on the same basis that GTEC makes those services available to its own ESP and (2) that GTEC does not subsidize its ESP with revenues derived from its monopoly operations.

TASC believes that the effect of granting the instant application without appropriate safeguards would adversely impact the members of TASC by denying them a fair opportunity to compete

with GTEC's ESP in the enhanced services market in the GTEC service area. Among other things, TASC alleges that it expects GTEC to provide ordering and repair service to its ESP customers through its 811 service while it does not make that 811 service available to other ESPs; that it will market ESP service through its customer representatives to all who call; and that GTEC will subsidize its ESP service with monopoly profits. TASC recommends that the Commission require GTEC to adopt a structural separation, a separate affiliate, to conduct its ESP service.

Pacific appeared as an interested party. Pacific does not object to GTEC's application but notes the application does not reflect all of the conditions placed by the Commission on Pacific's provision of enhanced services. Pacific asserts that to the extent conditions are not applied to GTEC, they should be removed from Pacific. Pacific recognizes the importance of providing consumer protections for all services regulated by the Commission, regardless of whether they are defined as "basic" or "enhanced" under the FCC's rules. All enhanced service providers should be required to offer the same consumer protection. Pacific urges the Commission to regulate enhanced services based on the service being offered, rather than the status of the provider of the service. As a result, Pacific encourages the Commission to adopt principles supporting comparable regulation for all providers of enhanced services. Pacific also points out that GTEC proposes to offer the enhanced services without tariffs. Pacific supports this approach and encourages the Commission to adopt the detariffing approach for all providers of enhanced services. Pacific believes that detariffing enhanced services is consistent with the spirit of the Commission's Phase II D.89-10-031.

After a public hearing, the position of DRA changed from an outright denial to a conditional grant of interim authority. The positions of TASC and Pacific did not change.

DRA recommends that the Commission grant GTEC interim authority for voice messaging and associated services conditioned on GTEC's ability to track and report research and development costs, installation, maintenance, repair, and service complaints. DRA recommends that GTEC should impute the cost of a toll free 800 number to its costs for enhanced services, since GTEC's customers will be able to order voice messaging through use of the toll free 811 service; that GTEC should be required to offer its enhanced services through a separate group within the company and should provide nondiscriminatory access to GTEC's CPNI; and that the Commission order full compliance with PU Code § 2893 for FCI when technically feasible.

TASC recommends that GTEC's application be denied because as proposed it discriminates against competitors and is anticompetitive. TASC asserts that GTEC's enhanced services proposal fails to demonstrate that it conforms to the principles of unbundling, nondiscrimination, and imputation adopted by D.89-10-031 and that GTEC's use of its monopoly operations personnel to market its voice messaging services is anticompetitive. TASC concludes that the application should be granted only if the services are provided through a separate subsidiary.

Pacific argues that limitations of use of CPNI do not apply to regulated, tariffed ONA services; that tariffs should include a notice that deployment information is available, not the actual deployment schedule; and that tracking and monitoring requirements should be consistent among telephone companies.

Discussion

The objections to GTEC's application take the form of many issues, but can be reduced to two: TASC asserts that the application should be denied because GTEC proposes to use its monopoly position in order to obtain an unfair advantage over its competitors; and DRA asserts that the application should be granted

as interim authority subject to a series of accounting provisions, which GTEC contends are unduly burdensome. For the reasons stated below, we will grant GTEC interim authority subject to the conditions proposed by DRA.

TASC correctly points out that GTEC's introduction of enhanced services, such as its proposed voice messaging services, is governed by D.89-10-031, which provides in pertinent part:

"We instruct Pacific and GTEC to demonstrate as part of any future request...to provide additional enhanced services or other new partially or fully competitive services that such proposals comply with the principles of unbundling, nondiscriminatory access, and imputation...." (D.89-10-031, mimeo. p. 143.)

The principles of unbundling and nondiscriminatory access refer to the disaggregation of the essential services, facilities, and functions that make up monopoly services and the subsequent offering of those services, facilities, or functions, which are also referred to as monopoly building blocks or basic serving elements (BSEs), on a nondiscriminatory basis at uniform rates. The principle of imputation refers to the local exchange carrier's imputing to its unregulated operations tariff-based charges, instead of actual costs, as compensation for any monopoly building blocks that are used in those operations. (D.89-10-031, mimeo. p. 141.) These three principles were adopted by the Commission as "important tools in ensuring that the local exchange carriers do not favor their own competitive services at the expense of either monopoly ratepayers or competitors." (D.89-10-031, mimeo. p. 141.)

TASC claims that GTEC's proposal does not properly identify and unbundle all of the essential monopoly building blocks it will use to provide voice messaging services. TASC contends that operations support systems (OSS) capabilities will not be available to TASC. OSS are the internal GTEC data processing systems used to support network operations and the general provision and maintenance of telecommunications services. Official

company services (OCSs), which consist of tarified and nontarified telecommunications services used by the company in its day-to-day operations, will also be used internally by GTEC's voice messaging operation, but, except to the extent they are tarified, will not be offered to competitors. Included among nontarified OCSs are 811 and 611 services, which permit customers to access GTEC's service ordering and repair ordering functions, respectively, by dialing either a seven- or three-digit toll free number.

Moreover, TASC asserts, along with access to OCSs, GTEC's voice messaging services will also have access to customer proprietary network information (CPNI). CPNI consists of customer-specific detail regarding customer facilities, usage characteristics, requirements, etc., that GTEC has been able to collect solely by virtue of its operation as a local monopoly. Access to CPNI will provide obvious marketing advantages. It would, for example, help GTEC's voice messaging operation identify likely customers, not just general classes of customers but individuals, and then tailor voice messaging proposals to personally suit those individuals' requirements. In contrast, competitors would not have access to CPNI under GTEC's proposal unless a customer specifically requested otherwise.

Although the Commission's imputation requirement technically applies to tarified services, TASC submits that 811 and 611 services are sufficiently similar to 800 services that the principle of imputation should be applied. With voice messaging competitors being required to pay tariff rates for 800 services in order to provide their customers with the same toll-free access to their service ordering and repair functions as GTEC obtains through its use of 811 and 611 services, a price squeeze could result (in the sense that 611, 811, and 800 services are components in the production of retail voice messaging services) unless GTEC, too, were required to impute 800 service rates for its use of official services. GTEC's use of 611 and 811 services, under the

circumstances, violate the spirit of the imputation principle and should not be permitted.

TASC's strongest concern is that GTEC's plan to use monopoly operations personnel to market its voice messaging services is anticompetitive and should be forbidden; it is the most offensive part of GTEC's proposal. Allowing monopoly business and residential service personnel to sell voice messaging services at the same time they are taking orders for monopoly services would present tremendous cost-accounting problems having the potential to lead to cross-subsidization, would invite anticompetitive marketing abuses, and would provide GTEC's voice messaging operation with a major, undue competitive advantage.

TASC concludes by arguing that GTEC should be permitted to offer voice messaging services only through a separate subsidiary. This is the one way, TASC believes, that will protect monopoly ratepayers from subsidizing competitive offerings and will provide equality in competition.

GTEC disputes each TASC assertion. GTEC submits that OSSs, OCSs, and CPNI are indeed utility assets, but they are not the monopoly building blocks contemplated by the Commission in its earlier decisions. Unlike the monopoly building blocks GTEC seeks to unbundle through its Category I tariff, OSSs, OCSs (including the 611 and 811 services), and CPNI are not basic network functionalities subject to unbundling. GTEC does not believe that GTEC's voice messaging personnel would have incomparable advantages through their ability to access OSSs in order to ensure proper and timely ordering, furnishing, and maintenance of the network services needed by their customers. GTEC's OSS capabilities are designed to provide efficient levels of service to all customers, including TASC's members. The same order entry intervals are applied to the installation of BSEs regardless of who is requesting the BSEs. GTEC's voice messaging personnel do not have a

competitive advantage merely by having the ability to ensure proper and timely ordering of network services.

GTEC states that as to the use of CPNI (as well as OSSs and OCSs) in marketing voice messaging, GTEC's voice messaging program intends to pay for the use of such information. Its use of CPNI in marketing voice messaging is not any different from a telephone company using subscriber information, essentially a utility asset, for compiling a telephone directory, which, in today's business environment, competes with other directories published by nontelephone companies. We note, however, the use of subscriber information is subject to a pending OII (I.90-01-033).

GTEC maintains that it should be allowed to co-market voice messaging services along with basic telephone services. It says that allowing GTEC customer service representatives to sell voice messaging along with basic telephone services would be a benefit to GTEC customers. GTEC is in a position to provide an innovative network-based service to the mass market with advanced features that to this date have not been satisfied by voice messaging products on the market. By allowing GTEC to offer voice messaging on an integrated basis, GTEC believes it will be in a position to take advantage of its economies of scale in a manner which ultimately will benefit consumers.

GTEC is of the opinion that TASC is simply attempting to prevent the entry of viable new competition in the voice messaging marketplace. TASC understands that if the Commission orders GTEC to offer voice messaging services through a separate subsidiary, it will be forcing GTEC to develop a costly new organization, in effect, preventing the offering of voice messaging by GTEC. If this is the result, TASC will have been successful in using the regulatory process to prevent GTEC from offering a new enhanced service.

In D.89-10-031 (33 CPUC 2d 43) we thoroughly reviewed recent developments in the telephone industry and promulgated a new regulatory framework. Individual cases should explain and encourage that framework; they should not chip away from it. The new regulatory framework recognized the place of enhanced services, such as voice messaging, in the repertory of a telephone utility and also recognized the competitive problems which could arise. On the one hand, we expect full utilization of the local exchange network; on the other hand, we desire to avoid cross-subsidies and anticompetitive behavior (33 CPUC 2d at 104-105). What sometimes gets lost in cases such as this, where the focus is on competition and potentially anticompetitive behavior, is that our primary function is to protect ratepayers, not to protect competitors for utility customers. TASC has provided us with a laundry list of horrors which will result if GTEC is granted authority without a requirement of separate entities---all of which will harm TASC. There are two major defects in TASC's position. First, it is speculative. GTEC has not yet provided the service and, therefore, no harm has come to TASC's members. Second, Pacific has been providing voice messaging services on a trial basis for over two years during which time TASC has been in competition with Pacific, yet TASC did not produce evidence of harm.

It goes without saying that the ratepayer should not pay rates for monopoly service which will subsidize competitive service. That would only drive competitors out of the market, eliminate consumer benefits, and eventually cause higher rates. But the ratepayer is entitled to the benefits of a full service telephone company. The ratepayer should not have to make two calls for service where one would suffice; nor pay two bills where one would suffice. In regulation we are continually balancing competing interests; and the balance should not be adverse to the ratepayer.

Restrictions must be placed on GTEC to reduce the possibility of cross-subsidies. DRA has proposed a series of restrictions to guard against cross-subsidies which have been required of Pacific and which reasonably should be required of GTEC. Those restrictions will be ordered. GTEC intends to take orders for the voice messaging service through its regulated operations by using seven digit toll free 811 service order telephone numbers. DRA asserts, and we agree, that GTEC should impute the cost of a toll free 800 number to the voice messaging operation to cover the cost that would be incurred by a competitor to provide customers with a toll free number to place orders for voice messaging.

The question of whether joint marketing of voice messaging by regulated personnel should be allowed is, perhaps, the single most important issue. TASC argues that it is anticompetitive and should not be permitted; GTEC argues that joint marketing will lower the cost of service and that its competitors need not separately market service. GTEC believes that its accounting and recordkeeping proposals will ensure that the fully allocated costs of the joint marketing personnel are charged to the enhanced services.

DRA would have GTEC form a separate group within the company dedicated to enhanced services to facilitate time reporting and cost tracking and to provide safeguards similar to a separate subsidiary. We will not require GTEC to form a separate subsidiary or group at this time. The accounting rules we will require should go far to prevent cross-subsidies. The benefits and costs of forming a separate subsidiary or group for the provision of voice messaging and other enhanced services will be addressed generically in our forthcoming Rulemaking on ONA.

In regard to CPNI and other OSSs, the Commission recently considered them in D.90-11-076 in Application 89-12-010, which concerned Pacific's use of that information. We said that we would

not require changes to Pacific's use but would consider the use of that kind of information in the context of broader ONA policy. We will await that broader ONA policy before imposing restrictions on GTEC.

DRA recommends that GTEC provide further information on its intention to block direct calls when the technology is available and notify customers served by central offices providing FCI of the specific circumstances and manner in which the subscribing caller's telephone number and the telephone numbers of any nonsubscribing calls will be transmitted. We will adopt this recommendation.

Finally, we will require GTEC to track and report on service and repair order activity on the same basis as the Commission ordered Pacific in D.90-11-076. In Ordering Paragraph 1 of D.90-11-076, the Commission required Pacific to:

"...track and report to the Commission the provisioning, maintenance, repair, volumes ordered, revenues, costs, investment, customer complaints, and any further monitoring requirements resulting from the workshops ordered by D.89-10-031."

This decision conforms to our recent D.90-07-052 regarding Pacific's application to provide Fax Store and Forward as a Category III enhanced service. In that decision, we determined that Fax Store and Forward should be approved, but must be tariffed consistent with PU Code §§ 489, 491, and 495 (Ordering Paragraph 3). Pacific has filed an application for a rehearing of D.90-07-052, which is currently pending. Pacific points out that GTEC proposes to offer this enhanced service without tariff, and encourages the Commission to adopt the detariffing approach for all providers of enhanced services. Instead, following D.90-07-052, we will require that GTEC's voice messaging services be offered under tariff subject to the same tariffing requirements as Pacific is required to follow for Fax Store and Forward. We will consider

this issue generically in the upcoming Rulemaking on ONA. For now, we find it appropriate to place the same tariffing requirements on both GTEC and Pacific for enhanced services.

Comments

This decision was issued as a Proposed Decision and comments were received from GTEC, DRA, and TASC. We have considered the comments and find that essentially they reargue positions taken at the hearing and need not be discussed further. We do wish to clarify our holding that GTEC must file a broader range of tariffs for its enhanced services than Pacific was required to file for its enhanced services in D.90-07-052.

Prior to June 6, 1990, the Commission's decisions authorizing LECs to provide enhanced services were constrained by federal preemption of tariffing. (FCC, Report and Order Amending Section 64.702 (1986) 104 FCC 2d 958; (1987) 2 FCC Rcd 3035; (1987) 2 FCC Rcd 3072.)

Our decision granting Pacific authority to offer its voice messaging service on a nontariffed basis (D.88-11-027) was issued while the FCC preemption orders were in effect. On June 6, 1990, the United States Ninth Circuit Court of Appeals invalidated that preemption in California v. FCC, 905 F 2d 1217, restoring tariffing authority to the states. With the exception of D.90-07-052, which is the subject of a pending petition for rehearing, the Commission therefore has made no determination of the market power considerations pertinent to the tariff treatment of enhanced services.

In the only enhanced services decision issued since California v. FCC, in D.90-07-052, we authorized Category III pricing treatment for Pacific's fax store and forward service. However, the record in that proceeding was developed prior to the Ninth Circuit decision, and Category III treatment was only authorized on a one-year interim basis, pending further review. Tariffs were required pursuant to PU Code §§ 489, 491, and 495.

This Commission has never formally detariffed LEC enhanced services as a category of services. Nevertheless, it is our continuing intention as expressed in D.89-10-031 to allow pricing flexibility to the extent competition is available. At this time we merely extend on an interim basis the LEC tariffing requirement to GTEC's voice messaging offering. If the tariffing requirement on Pacific is not changed as a result of the rehearing of D.90-07-052, then GTEC may seek to modify this decision to conform to Pacific's limited tariffing requirement.

Findings of Fact

1. The public has a need for voice messaging services which will enable consumers to leave and retrieve voice messages by a touch tone telephones, and will have features such as storage, retrieval, reply, skip-back, and ahead.

2. The accounting safeguards proposed by GTEC as supplemented by those requested by DRA are adequate to prevent cross-subsidization of enhanced services by GTEC's monopoly service in the interim until the resolution of the forthcoming Rulemaking on ONA.

3. There is no factual evidence to show that GTEC's proposal as modified by this order would be anticompetitive. The claim by TASC that GTEC service would be anticompetitive is mere speculation at this time. After GTEC commences service we will be in a better position to determine whether such service is actually anticompetitive.

4. D.90-07-052 required that Pacific's Fax Store and Forward service, an enhanced service, be provided only under tariff, in accordance with PU Code §§ 489, 491, and 495. GTEC's proposed voice messaging service is also an enhanced service.

5. GTEC's proposed voice messaging services are enhanced services and GTEC proposes to offer such as Category III services.

6. GTEC requests permission to provide ESPs with those BSEs necessary to permit ESPs to interconnect with GTEC's network for the provision of voice messaging services to their own end users.

These BSEs would be offered as Category I services, in conjunction with exchange access line service.

Conclusions of Law

1. The application should be granted subject to the conditions set forth in the following order.

2. GTEC should:

- a. Provide voice messaging services to end user customers on a tariffed basis, without structural separation. GTEC should be required to file a voice messaging service tariff by advice letter pursuant to General Order 96-A, which will not take effect without Commission approval.
- b. Purchase BSEs necessary to provide its voice messaging service under the rates, terms, and conditions set forth in its proposed ESP tariff which is Attachment 1 to its application.
- c. Offer to ESPs nondiscriminatory equal access to GTEC's BSEs at the same rates and subject to the same terms and conditions applicable to the BSEs used by GTEC for its own enhanced service offerings as set forth in Attachment 1 to its application.
- d. Provide voice messaging services on a "below-the-line" basis as Category III services pursuant to D.89-10-031.
- e. Treat Customer Proprietary Network Information (CPNI) pursuant to CPNI rules established in accordance with PU Code § 2891.
- f. Provide updates of network changes that affect the interconnection of ESPs to the network, pursuant to the FCC "Call Carrier Rule" imposed upon GTEC.

3. GTEC should impute the cost of a toll free 800 number to its costs for enhanced services.

4. GTEC should not at this time be required to offer its enhanced services through a separate group within the company.

5. GTEC should fully comply with PU Code § 2893 for FCI when technically feasible.

6. GTEC should market its voice messaging services through its current marketing personnel in order to provide all ratepayers with the benefits of a full service telephone company.

7. The accounting safeguards placed on GTEC should be no greater than those placed on Pacific for providing the same service.

8. The service authorized by this decision should be interim authority.

9. GTEC's voice messaging service is likely to be competitive based upon the access to BSEs provided to ESPs.

10. GTEC's voice messaging services should be provided on a below-the-line basis, not subject to the sharing mechanism established in D.89-10-031.

INTERIM ORDER

IT IS ORDERED that:

1. GTE California Incorporated (GTEC) may provide voice messaging services to end user customers on an interim tariffed basis, without structural separation under the terms and conditions set forth in this decision. The terms and conditions for tariffing are that this service may only be offered under tariff; GTEC shall file a voice messaging services tariff by advice letter, with 20 days for the filing of any protests, pursuant to General Order 96-A. The initial tariff must be approved by the Commission before taking effect. Changes to the tariff may be made pursuant to General Order 96-A and D.89-10-031, Ordering Paragraph 4.

2. GTEC shall institute separate memorandum accounts tracking the complete research, development, deployment, operating and maintenance costs, and all revenues attributed to its voice messaging services.

3. All revenue, investment, and other expense amounts which are directly or indirectly incurred or otherwise might be associated via cost allocation with the services offered under this interim authority shall be placed in separate tracking accounts and reported monthly to the Commission Advisory and Compliance Division (CACD). Wherever estimated or allocated amounts are involved, the methodology used for such estimation or allocation shall be described and worksheets detailing computations shall be provided. Separate accounts shall be maintained for each enhanced service offered under this interim authority. For tracking purposes, all revenues received and investment and other expenses incurred from the date that planning, research, or development began for each service should be included. A summary report of all amounts incurred prior to the date of this decision shall be provided within 90 days from today. All amounts incurred from the effective date of this decision forward shall be reported within 45 days of the close of the month in which the revenues or expenses accrue. In addition, GTEC shall set up such accounts for each other enhanced service for which it begins, or has begun, planning, research, or development.

4. GTEC shall obtain CACD's written approval of its proposed memorandum accounts prior to their implementation.

5. GTEC shall not disconnect any regulated services solely for nonpayment of enhanced services charges. GTEC shall notify customers receiving bills for enhanced services of this rule when customers receive the first such bill, and at least each six months thereafter. GTEC shall coordinate this notice with the Commission's Public Advisor.

6. Any end user complaints about service quality or billing matters which are received by GTEC's enhanced services operations or GTEC's regulated business offices shall be recorded as to number and nature and reported to CACD within 45 days of the close of the month in which the complaints are received.

7. Any existing consumer and competitive safeguards shall be considered to be interim. The Commission will consider applying additional or complementary safeguards in its final decision on the application.

8. In all instances where tariffed services are available, GTEC's enhanced services operations shall pay tariffed rates for the use of such services.

9. GTEC shall track and report to the Commission the provisioning, maintenance, repair, volumes ordered, revenues, costs, investment, customer complaints, and any further monitoring requirements resulting from the workshops ordered by D.89-10-031. The reports shall be filed on the same basis as required by the workshops.

10. GTEC's tariffs shall include dates upon which its enhanced services are estimated to be available in each end office.

11. Authority is granted on an interim basis for a 2-year period, subject to any conditions which the Commission may impose following a broader investigation in this or any related proceeding.

12. GTEC shall present cost information when it seeks permanent authority for the services authorized by this order.

13. For FCI, GTEC shall block at its central office switches the calling number identification of calls to members of FCI subscriber user groups.

14. GTEC's voice messaging service shall be treated as Category III services, excluded from the sharing mechanism established in D.89-10-031.

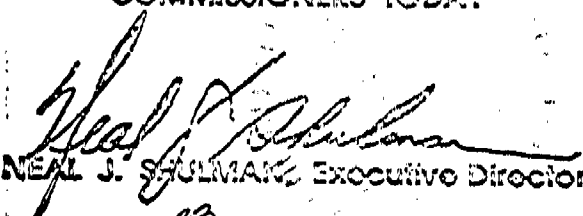
15. GTEC shall offer Basic Service Elements to Enhanced Service Providers necessary to provide its voice messaging services under the rates, terms, and conditions that will apply to GTEC's own enhanced services offering.

This order becomes effective 30 days from today.

Dated April 10, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director
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