

APR 22 1992

Decision 92-04-056 April 22, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
US Telecom, Inc., doing business as )  
Sprint Services, for a Certificate of )  
Public Convenience and Necessity to )  
Provide InterLATA Telecommunications )  
Services within the State of )  
California. )

Application 89-09-012  
(Filed September 1, 1989)

Application of AT&T Communications )  
of California, Inc. (U 5002 C) for )  
Authority to Provide Intrastate )  
AT&T MultiQuest<sup>SM</sup> Services. )

Application 89-10-019  
(Filed October 6, 1989)

Application of MCI Telecommunications )  
Corporation (U 5011 C) Under Rule 15 )  
of the Commission's Rules of Practice )  
and Procedure for Authority to )  
Provide Intrastate 900 Service. )

Application 89-11-019  
(Filed November 20, 1989)

In the Matter of the Investigation )  
and Suspension on the Commission's )  
own motion of tariffs filed by )  
Advice Letters Nos. 8 and 9 of )  
Telesphere Network, Inc. )

(I&S)  
Case 89-11-020  
(Filed November 20, 1989)

Order Instituting Investigation into )  
the rates, charges, and practices )  
of local exchange carriers in )  
California. )

I.90-12-040  
(Filed December 19, 1990)

O P I N I O N

On November 14, 1991, pursuant to Rule 43 of the Commission's Rules of Practice and Procedure, a petition for modification of Decision (D.) 91-03-021 was filed by CP National, Citizens Utilities Company of California, GTE West Coast Incorporated, Sierra Telephone Company, Inc., and Tuolumne Telephone Company (hereinafter the Independent LECs or petitioners). D.91-03-021 authorizes the offering of intrastate, interLATA information services using the 900 area code by four interexchange carriers (IECs). That authorization is conditioned on the services being provided with specific consumer protections. Tariffs effective February 1, 1992 authorize AT&T Communications of California, Inc. (AT&T), US Telecom, Inc., doing business as Sprint Services (Sprint), and MCI Telecommunications Corporation (MCI) to implement statewide intrastate interLATA 900 service incorporating the new customer safeguards. (See Resolution T-14732, December 18, 1991.)

The petition seeks to modify one consumer protection. That protection requires the local exchange carrier (LEC), when it is the IEC's billing agent, to provide certain bill surveillance, customer notification, and temporary blocking. (See D.91-03-021, Ordering Paragraph 4.j.)

While the Independent LECs are capable of providing most of the billing services and other customer safeguards required of the IECs by D.91-03-021, petitioners argue that additional time is required to implement billing system modifications necessary to provide the bill surveillance and related customer notification required by Ordering Paragraph 4.j. They estimate from one to seven months beyond February 1, 1992 are needed to implement these revisions, with any other approach being labor-intensive and cost-prohibitive.

according to Sprint. Finally, AT&T argues that since the LECs are unable to block only intrastate 900 calls, customer access to interstate 900 service will be lost in the interim if the petition is not granted. To avoid customer confusion, maintain the full array of services now available to customers, and preserve their revenue flow, AT&T contends that petitioning Independent LECs should not be subject to requirements that have the effect of blocking access to interstate 900 services.

Division of Ratepayer Advocates (DRA) files a response to the petition, along with a motion (and subsequent corrected motion) for leave to file its response late. DRA contends the petition should be granted and the introduction of IEC 900 services should not be delayed, but that the Independent LECs should be required to block access to 900 service until their compliance with all safeguards is complete.

Petitioners and AT&T file responses to DRA's motion and comments. Petitioners and AT&T argue that DRA's motion should be denied since DRA provides inadequate reasons for filing late and a late filing is disruptive (since petitioners sought a Commission decision in January 1992). Further, they assert the DRA proposal is meaningless because there is nothing to grant if the traffic is required to be blocked. Finally, petitioners and AT&T argue that blocking intrastate 900 services will interfere with interstate 900 service.

We will allow DRA's response. The timing of DRA's response has not delayed our consideration of the petition, and has therefore not harmed petitioners or the IECs.

On the petition itself, we deny the requested modification. We found bill surveillance, advance notification, and temporary blocking to be a vital and necessary safeguard in D.89-02-066, D.90-03-030, and D.91-03-021, even given an array of other safeguards. Other safeguards are not adequate to protect

# **CORRECTION**

**THIS DOCUMENT HAS  
BEEN REPHOTOGRAPHED  
TO ASSURE  
LEGIBILITY**

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While the Independent LECs are capable of providing most of the billing services and other customer safeguards required of the IECs by D.91-03-021, petitioners argue that additional time is required to implement billing system modifications necessary to provide the bill surveillance and related customer notification required by Ordering Paragraph 4.j. They estimate from one to seven months beyond February 1, 1992 are needed to implement these revisions, with any other approach being labor-intensive and cost-prohibitive.

Specifically, Ordering Paragraph 4.j. requires that the

IEC:

"...will notify each subscriber by letter through its billing agent the first time the subscriber's charges for all 900 services reach \$75 in one billing period (\$30 for lifeline subscribers). (The IEC) through its billing agent will contact subscriber by telephone the first time the subscriber's total bill for all 900 services exceeds \$150 in one billing cycle, and if subscriber cannot be reached immediately, (the IEC) shall temporarily block subscriber's access to 900 services until contact is made and subscriber indicates the desire to resume service. On behalf of (the IEC), (the IEC's) billing agent will accumulate the total 900 charges for each subscriber for all carriers and notify and/or block the subscriber when the above limits are reached."

Petitioners ask that the following sentence be added at the end of Ordering Paragraph 4.j.:

"The obligation to provide this billing surveillance and subscriber notification shall be extended for a period not to exceed 12 months from the date applicant begins offering 900 service for those customers served by a local exchange carrier which requires the additional time to make necessary modifications to its billing system."

AT&T and Sprint file in support. AT&T and Sprint argue the petition should be granted because the petitioning Independent IECs represent a tiny portion of the access lines in California (less than 2%), and all other California customers (served by Pacific Bell, GTE California Incorporated, and the remaining independent LECs) will have all consumer safeguards available. Second, the petitioning Independent IECs will comply with all other safeguards even if granted a delay in this one, according to Sprint and AT&T. Third, Sprint and other IECs have spent considerable time and resources to comply in good faith with D.91-03-021 and should not be needlessly delayed from offering 900 service,

according to Sprint. Finally, AT&T argues that since the LECs are unable to block only intrastate 900 calls, customer access to interstate 900 service will be lost in the interim if the petition is not granted. To avoid customer confusion, maintain the full array of services now available to customers, and preserve their revenue flow, AT&T contends that petitioning Independent LECs should not be subject to requirements that have the effect of blocking access to interstate 900 services.

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We will allow DRA's response. The timing of DRA's response has not delayed our consideration of the petition, and has therefore not harmed petitioners or the IECs.

On the petition itself, we deny the requested modification. We found bill surveillance, advance notification, and temporary blocking to be a vital and necessary safeguard in D.89-02-066, D.90-03-030, and D.91-03-021, even given an array of other safeguards. Other safeguards are not adequate to protect

customers to the degree we find necessary in the absence of bill surveillance, advance notification, and temporary blocking.

Petitioners offer no alternative to the safeguard, only a delay in its implementation. Petitioners offer no cost-benefit assessment, only an unsupported assertion that any course other than delayed implementation will be labor-intensive and cost-prohibitive. To similar unsupported contentions made by GTE California Incorporated regarding another consumer protection, we said:

"If operational requirements of the various types of telephone equipment prevent this option, applicants will need to present the information, data, cost, and other relevant factors to support that contention. Until such time as applicants present information to demonstrate infeasibility in consideration of the operational requirements of the equipment and we so find, applicants shall not offer 900 service where such blocking is not available." (D.91-03-021, pp. 39-40; 39 CPUC 2d 397, 424.)

The same principle applies to the petition for modification. Without data, cost, benefits, and relevant factors to support the contention (that any course other than delayed implementation will be labor-intensive and cost-prohibitive), we find bill surveillance, advance notification, and temporary blocking continue to be a necessary and vital safeguard, even if other safeguards are in place. The petition is denied.

Findings of Fact

1. A petition to modify D.91-03-021 was filed on November 14, 1991.

2. Petitioners seek to modify Ordering Paragraph 4.j. of D.91-03-021 to allow a delay of up to 12 months once IEC 900 interLATA service begins before IECs, through LEC billing agents, must perform certain bill surveillance, customer notification, and temporary blocking.



3. Bill surveillance, advance notification, and temporary blocking are a vital and necessary safeguard even if an array of other safeguards are in place.

4. Other consumer safeguards in the offering of 900 service are not adequate to protect customers to the degree we find necessary in the absence of bill surveillance, advance notification, and temporary blocking.

5. Petitioners offer no alternative to the safeguard they seek to modify.

6. Petitioners offer no cost-benefit analysis of the modification they seek.

Conclusions of Law

1. DRA's response should be considered.
2. The petition for modification should be denied.
3. This order should be effective today so the status of 900 safeguards is resolved without delay.

O R D E R

IT IS ORDERED that the petition for modification of Decision 91-03-021 is denied.

This order is effective today.

Dated April 22, 1992, at San Francisco, California.

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

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

  
NEAL J. SHULMAN, Executive Director