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to Executive Director

RESOLUTION NO. T-12004

EVALUATION AND COMPLIANCE  
DIVISION

DATE: February 11, 1987

R E S O L U T I O N

\_\_\_\_ Director  
\_\_\_\_ Numerical File  
\_\_\_\_ Alphabetical File  
\_\_\_\_ Accounting Officer

SUBJECT: Pacific Bell. Order authorizing the establishment of the Direct Customer Access/Directory Information (DCA/DI) Service on a provisional basis. Resolution No. T-12004.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15070 filed April 1, 1986, and by Supplement filed January 7, 1987, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

To establish a tariff schedule for the implementation of a Direct Customer Access/Directory Information (DCA/DI) Service on a one year provisional basis to expire on February 15, 1988.

Ordering Paragraph 11 of D.86-01-026 as modified by D.86-03-049, dated March 5, 1987, states:

"By April 1, 1986, PacBell and General Telephone Company of California (General) shall make final advice letter filings, subject to approval by Commission Resolution, proposing direct customer access service for users of local directory assistance."

Pacific filed on April 1, 1986 Advice Letter No.15070 in compliance with the above Ordering Paragraph. The Advice Letter contained no rates and charges because Pacific had not completed vendor negotiations and required agreements with other Local Exchange Carriers for use of their listings at that time. Decision 86-01-026 stated this "filing need not be contingent upon Pacific's having selected a vendor for computer software by the date" (April 1, 1986).

Pacific filed a Supplement to Advice Letter No.15070 with rates and charges on January 7, 1987. The Advice Letter No.15070 Supplement included: (1) a change in the product name from Direct Customer Access/Directory Assistance (DCA/DA) to Direct Customer Access/Directory Information (DCA/DI), (2) the provision of the service to a one year provisional offering to expire on February 15, 1988, and (3) rates and charges.

The DCA/DI service will enable customers to have access to statewide DA information. Full statewide access to all area codes will be implemented in seven phases over a period of 18 months. The phase implementation, which will start with the 415 area code, is necessary for continuous system testing when additional area code databases are added to the service.

The proposed DCA/DI service is an alternative to the conventional 411 Directory Assistance (DA) service for large volume DA users. The DCA/DI is a computer-based DA service allowing users to have direct access to Pacific's DA information database with a customer-owned computer terminal without the assistance of a DA operator. The proposed service does not appear to be in conflict with Assembly Bill 3382 (Moore - Approved by Governor September 14, 1986) on telephone customer and subscriber privacy. Information available from the DCA/DI service is restricted to the exact, but daily updated, information in the white page telephone directories. Non-published, non-listed and address omitted listings are not included.

Similar services are being offered in other states, notably the Direct Customer Access to Directory Assistance (DCA/DA) Service in Pennsylvania and the Scantel service in Washington. Available information on these services does not indicate how well the proposed DCA/DI service will perform in California. According to Pacific, a 1980 market study indicated that over half of the business users interviewed were interested in a computer-based DA service. This acceptance was based on such factors as speed, convenience, accurate timely data, availability of statewide listings, usage only charging and user control over charges. A number of large volume DA users have expressed strong desire to the DCA/DI service. Initial customers of the DCA/DI service will most likely be the large volume DA usage firms such as collection agencies, credit bureaus, information and marketing services and telemarketing firms that require the most recent DA information.

The proposed DCA/DI service rates consists of four rate elements, two usage, one non-recurring and one recurring. They are as follows:

Usage rates....

- \$ .14 per screen displayed on customer terminal
- \$ .25 per connection minute

Non-recurring....

- \$ 26.00 per service order and installation

Recurring....

- \$100.00 monthly charge per area code \*
- \$500.00 maximum monthly charge

\* The \$100.00 monthly charge per area code will increase to

a maximum of \$500.00 as more area code databases become available to DCA/DI service subscribers.

For large volume DA users, the major benefits of the DCA/DI service are its speed and accuracy in obtaining DA information. Since the DCA/DI information retrieval speed via a terminal is 4 times faster than the DA service through a DA operator, customers using the DCA/DI service will be able to obtain the same volume of DA information in much less time, thereby reducing their costs associated with manually dialing the conventional DA service and recording the DA information. As more large volume DA users choose the DCA/DI service, Pacific Bell's traffic expense will decrease due to reduction in DA operators. Nevertheless, based on the expected percent of large volume DA users who would be attracted to the DCA/DI service, it remains uncertain at this point whether the DCA/DI service will actually be economically feasible to Pacific and thus to the general ratepayers.

The rates for the Direct Customer Access/Directory Information have been based on, for the most part, forecasted demand. Pacific may not have accurately predicted the cost, revenue, and profitability of this new offering. Therefore, we shall reserve judgment on the permanent approval of this service and shall authorize a provisional offering to test the rate structure and to substantiate the cost, revenue and profitability of this service. Based on the data obtained from this trial, the Direct Customer Access/Directory Information scheduled to expire on February 15, 1988 may be implemented permanently, changed, extended or withdrawn by Pacific Bell subject to Commission authorization.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and reasonable and present rates, charges and conditions, as they differ from the rates, charges and conditions authorized in this Resolution are for the future unjust and unreasonable; and good cause appearing,

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on February 15, 1987.

(2) Pacific Bell shall monitor the results of its Direct Customer Access/Directory Information Service and file a report every 3 months with the Telecommunications Branch of the Evaluation and Compliance Division of the Public Utilities Commission until the completion of the trial. The report shall reflect the revenues, expenses, and profitability of the DCA/DI service. The first report is due May 15, 1987. If these reports indicate that the service is not economically feasible, Pacific will file revised rates accordingly and will not wait until the February 15, 1988 date to terminate the trial.

(3) All tariff sheets filed under Advice Letter No.15070 Supplement shall be marked to show that such sheet were authorized by Resolution of the Public Utilities Commission No. T-12004.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on February 11, 1987 the following Commissioners voting favorable thereon:



Executive Director

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
Commissioners