

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. T-12009

EVALUATION AND COMPLIANCE
DIVISION

DATE: March 6, 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 an interim offering entitled Universal WATS Access Service.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15221 filed February 6, 1987, supplement Advice Letter No. 15221A filed February 13, 1987, supplement Advice Letter 15221B filed February 19, 1987, and supplement Advice Letter 15221C filed February 25, 1987, requests authority under Section 454 of the Public Utilities Code to make effective in less than regular notice the following tariff revisions:

To establish an interim offering entitled Universal WATS Access Service.

Existing WATS (Wide Area Telephone Service) and 800 Service provide for dedicated access lines which, under current regulations, allow volume discounts to or from specifically designated jurisdictions. Separate WATS and 800 lines are required for each of the following jurisdictions: intralATA intrastate calling, interLATA intrastate calling and interstate calling. WATS allows subscribers to make outgoing-only calls to specifically designated jurisdictions; they cannot receive calls from these lines. On the other hand, 800 Service allows subscribers to receive calls from specifically designated areas at no cost to the calling parties. The restrictions on directionality and jurisdiction imposed on existing WATS and 800 Service have enabled utilities, state regulators and federal regulators to directly assign associated costs and revenues to the appropriate jurisdictions.

For a non-recurring charge of \$105 per line, a monthly charge of \$30 per line, and a subscription to the various usage packages available under the existing WATS/800 service tariff (e.g. Half-State Northern California, Half-State Southern California, Full-State) customers under Pacific Bell's proposed interim Universal WATS Access Service tariff will have the option of having both WATS and 800 service over one line. Additionally customers will have the option to have on the same line the capability to receive calls from and make calls to multiple jurisdictions.

While this interim offering gives more flexibility to end users, it creates uncertainty over how telephone utilities, state regulators and federal regulators should assign associated costs and revenues to the appropriate jurisdictions. Therefore on an interim basis, Pacific Bell proposes to treat this service as a directly assigned WATS line with all associated costs and revenues assigned to the intrastate jurisdiction. It should be noted the FCC will determine in CC Docket No. 78-72 and CC Docket No. 80-286 the appropriate jurisdictional separations treatment for Universal WATS Access Service.

The establishment of this interim offering was triggered by an FCC order in May 20, 1986 (In Memorandum Opinion and Order In the Matter of Midyear 1986 Access Tariff Filing) requiring all Bell Operating Companies to provide an unrestricted and optional two-way WATS and/or 800 Service access line. In a subsequent order ten days later, the FCC made it clear that it "did not and does not purport to preempt any state restrictions contained in intrastate tariffs or any state laws or restrictions limiting the scope of outside competition."

Since it has been the Commission's policy to maintain jurisdiction over intrastate telephone service in California, the Evaluation and Compliance Division Staff instructed Pacific Bell on August 29, 1986 to ensure Pacific Bell's FCC interstate tariff did not offer intrastate services and that intrastate calls should be blocked. In addition, Pacific Bell was informed that Universal WATS Access Service, in the manner contemplated by the FCC, should be implemented through the appropriate state tariffs only after it has been thoroughly evaluated by the Commission's staff.

The E & C Staff has evaluated Pacific's Advice Letter filing and concludes that it is satisfactory.

On February 20, 1987 General Telephone Company of California ("General") submitted a protest to Pacific Bell's Advice Letter filing on Universal WATS Access Service. In its protest letter, General states that it cannot, in the short time span given by Pacific Bell's Advice Letter, concur with this filing due to the "administrative and technical requirements such a filing imposes."

In response to General's protest, Pacific Bell and MCI argue that there is no reasonable basis to delay Pacific Bell's Advice Letter filing until General is able to offer Universal WATS Access Service.

General does not protest the substance of Pacific Bell's filing, and it is not its intention to delay the effective date of Pacific Bell's Advice Letter. On the contrary, it "realizes the urgency of the development of a Universal WATS (UWAL) offering and intends to file a proposal for such an offering in the near future." Additionally, General claims to be "currently developing a UWAL offering similar to Pacific's structure." General asks the Commission for additional time to establish the administrative and technical arrangements necessary for the utility to offer a Universal WATS Access Service similar to Pacific Bell's.

It should be noted that General currently "concur[s]" with Pacific Bell's existing WATS/800 offering; its tariff merely states this fact and refers the reader to the appropriate section of Pacific Bell's tariff. Until the utility begins offering Universal WATS Access Service, General requests from the Commission authority to submit an Advice Letter with associated tariff sheets copying the existing WATS/800 Service as described in Pacific Bell's current tariffs. General requests that such an Advice Letter filing be effective on less than regular notice, March 7, 1987.

The Commission believes General's request is reasonable. It should be emphasized, however, that the Commission strongly encourages General to submit a subsequent Advice Letter filing to offer Universal WATS Access Service as soon as reasonably possible.

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) Pacific Bell's request for authority to make the necessary tariff revisions to offer Universal WATS Access Service is granted. These tariff revisions shall become effective on March 7, 1987.

(2) General Telephone Company of California ("General") is authorized to file an Advice Letter and associated tariff sheets that will mirror Pacific Bell's current WATS/800 Service tariff. This Advice Letter filing shall become effective on March 7, 1987.

(3) General shall file a subsequent Advice Letter with associated tariff sheets as soon as reasonably possible to make available to its customers Universal WATS Access Service in a manner similar to Pacific Bell's offering.

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 March 6, 1987, the following Commissioners voting favorably thereon:



Executive Director

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