

EVALUATION & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12044
August 12, 1987.

R E S O L U T I O N

ACTION TAKEN ON GENERAL TELEPHONE'S REQUEST TO PROVIDE
UNIVERSAL WATS ACCESS SERVICE.

SUMMARY

In order to preserve our jurisdictional right to regulate intrastate telecommunications service, this resolution requires General Telephone (General) to include a means to measure and/or estimate the percentage of intrastate traffic over its Universal WATS Access Service in the tariff that General will soon file at the Federal Communications Commission (FCC). General's FCC tariff shall also provide that intrastate usage (as measured and/or estimated) shall be properly billed and booked to the intrastate jurisdiction. As General's Advice Letter No. 5083 already contains these provisions, their inclusion in General's FCC filing will ensure full reciprocity between federal and state tariffs for this service.

This Commission anticipates the consideration of General's Advice Letter filing No. 5083 (to provide Universal WATS Access Service in California) promptly upon General's compliance with this resolution.

BACKGROUND

Traditional WATS (Wide Area Telephone Service) and 800 Service are dedicated access lines which allow volume discounts on calls to or from specifically designated jurisdictions. Separate WATS and 800 lines are required for intrastate and interstate calling. A WATS line allows subscribers to make outgoing-only calls either intrastate or interstate, not both; subscribers cannot receive calls on this line. Conversely, an 800 line allows subscribers only to receive calls from either within or outside the state, not both, at no cost to the calling parties. The restrictions on directionality and jurisdiction imposed on traditional WATS and 800 Service have enabled utilities, state regulators and federal regulators to directly assign associated costs and revenues to appropriate jurisdictions.

In a May 20, 1986, order (In Memorandum Opinion and Order In the Matter of Midyear 1986 Access Tariff Filing) the Federal Communications Commission (F.C.C.) required local exchange carriers to provide an unrestricted and optional two-way WATS and/or 800 Service access line. This "Universal WATS Access Line" (UWAL) would allow customers to make and receive calls to and from multiple jurisdictions (intrastate and interstate).

While this new service offering allows more flexibility to customers, it creates uncertainty over how telephone utilities, state regulators and federal regulators should assign associated costs and revenues to the appropriate jurisdictions. The F.C.C. has opened CC Docket No. 78-72 and CC Docket No. 80-286 to determine the appropriate jurisdictional separations treatment for UWAL Service.

In the meantime to accommodate the F.C.C.'s wish for local exchange carriers to offer UWAL Service to customers this Commission authorized Pacific Bell, in Resolution T-12009 (March 6, 1987), to begin offering this new service on an interim basis, pending the F.C.C.'s determination on how to treat this line for jurisdictional separations. While we permitted Pacific Bell to carry interstate traffic on this line, we prohibited the utility from carrying intrastate traffic over a similar line provided over its F.C.C. tariffs. This prohibition was agreed upon by the F.C.C. when it accepted Pacific Bell's interstate tariff filing to offer UWAL Service. We believed our action was consistent with our general policy to exert our jurisdictional rights over intrastate telecommunications services in California, while allowing local exchange carriers the leeway necessary to accommodate the intent and spirit of the F.C.C.'s May 20 order.

In conformance with Resolution T-12009 General Telephone filed Advice Letter No. 5083 and supplement on June 5, 1987, and June 26, 1987, respectively, to offer UWAL Service in terms not significantly different from that authorized and required of Pacific Bell. General Telephone also made a tariff filing with the F.C.C. to offer UWAL. General Telephone's interstate UWAL tariff filing would prohibit intrastate traffic to go over an interstate UWAL, which respects our jurisdictional right to regulate such traffic.

On June 19, 1987, M.C.I. filed a protest to General Telephone's advice letter filing, arguing that it is in violation of F.C.C. policy. M.C.I.'s position was subsequently reflected in a July 30, 1987, Memorandum Opinion and Order by the F.C.C. which rejected General Telephone's interstate UWAL filing, concluding that it is improper for the utility to restrict intrastate traffic over an interstate UWAL if in its California tariffs it allows interstate traffic over an intrastate UWAL. General Telephone was then ordered to file (by August 15, 1987) an interstate UWAL tariff which would allow intrastate traffic to go over an interstate UWAL. In the same order the F.C.C. notes that it would be appropriate for General Telephone to restrict intrastate traffic over an interstate UWAL.

only if, in symmetrical fashion, it restricts interstate traffic over an intrastate UWAL.

DISCUSSION

We are aware that federal access tariffs provide for lower minutes-of-use charges than are currently assessed for inter-LATA calling within California. An unrestricted application of federal access charges to all traffic over a federally-tariffed UWAL would certainly charge intrastate traffic at interstate access charge rates. This would lead to an immediate migration of California inter-LATA WATS customers to the federal tariff, and would cause a disruptive loss of contribution used by this Commission to support basic rates and universal service in California. We reject such an intrusion into our jurisdiction as unwarranted and unlawful.

In order to avoid this problem, Pacific Bell's (Pacific) UWAL tariff now provides for a jurisdictional measurement and separate billing and booking of intrastate and interstate usage. General's UWAL Advice Letter provides for the same treatment. We will direct General to provide, in its FCC filings, for the estimation (through a Percent Interstate Use factor) and/or the direct measurement (as appropriate) of the proportional usage of its UWAL lines for intrastate calling. General shall properly bill at intrastate rates and book intrastate usage to the intrastate jurisdiction.

We would remind the FCC that this treatment of General's federal UWAL tariff is identical to the current procedure used under FCC tariff to properly separate intrastate and interstate usage of Feature Group A access facilities.

Once General has made this FCC filing, we will promptly consider General's Advice Letter No. 5083.

FINDING

In order to preserve this Commission's jurisdictional right to regulate intrastate telecommunications service, we find it is reasonable to place the restrictions described herein upon General Telephone's filing at the FCC to provide Universal WATS Access Service.

This matter did not appear on the published Commission's Public Agenda. Under the circumstances articulated in this resolution, however, we find that it constitutes emergency treatment. We find that failure to act on this resolution before August 14, 1987, may place at risk our jurisdictional right to regulate intrastate traffic over General Telephone's interstate Universal WATS Access Line. Such an emergency justifies our action today under Public Utilities Code Section 306 (b).

IT IS ORDERED that:

(1) When filling its tariff with the Federal Communications Commission (FCC) to offer Universal WATS Access Service, General Telephone shall include provisions stating that General Telephone will measure and/or estimate the percent intrastate usage over such lines as are purchased under the FCC tariff, and properly bill and book this usage to the intrastate jurisdiction.

(2) Once General Telephone has made its FCC filing in accordance with this resolution, the Commission's Evaluation and Compliance Division (E&C) shall review General Telephone's Advice Letter No. 5083 and supplement and present a resolution to the Commission for consideration.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 12, 1987. The following Commissioners approved it:


Executive Director

DONALD VIAL
FREDERICK R. DUDA
JOHN B. OHANIAN
Commissioners

Commissioner Stanley W. Hulett, being necessarily absent, did not participate.

Commissioner G. Mitchell Wilk, being necessarily absent, did not participate.