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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12063
February 16, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING AN EXTENSION OF TIME TO
PACIFIC BELL'S PROVISIONAL TARIFF OFFERING ON DIRECT CUSTOMER
ACCESS/DIRECTORY INFORMATION (DCA/DI) SERVICE TO MARCH 9,
1988. THE CURRENT PROVISIONAL TARIFF EXPIRES ON FEBRUARY 15,
1988.

SUMMARY

This resolution authorizes a temporary extension of time to Pacific Bell for its provisional tariff offering on Direct Customer Access/Directory Information (DCA/DI) service to March 9, 1988. The service was originally authorized to be provided on a one year provisional basis by Commission Resolution T-12004 dated February 11, 1987. The extension of time authorized by this resolution will allow Pacific additional time needed beyond the scheduled February 15, 1988 DCA/DI service expiration date to complete and submit for staff's review a feasibility study on the profitability of the DCA/DI service for the twelve month period of 1988. Based on the results of the feasibility study, the DCA/DI service may be extended, implemented permanently, changed or withdrawn.

BACKGROUND

Pacific Bell, by Advice Letter No. 15331 and a Supplement filed February 11, 1988 requests authority to revise Schedule Cal.P.U.C. No. A5, Exchange Services, 5.7.9 Direct Customer Access to Directory Information, (DCA/DI), to extend its provisional tariff on DCA/DI service to March 9, 1988. The temporary extension would allow Pacific additional time needed to complete and submit for staff's review its 1988 feasibility study on the continuing provision of its DCA/DI service.

The DCA/DI service is an alternative to the conventional 411 Directory Assistance (DA) service for large volume DA users. The service is a computer-based DA service allowing users to have direct access to DA information with a customer owned computer terminal without the assistance of a DA operator.

In Pacific Bell A.85-01-034, the Commission found that allowing direct customer access to Pacific Bell's directory assistance information database would benefit both large DA users and Pacific Bell. With this service, large DA users could reduce its costs per call and Pacific Bell could lower expenses by reducing the number of required DA operators. As a result, the Commission ordered Pacific Bell to make final advice letter filings for the implementation of DCA/DI service in Ordering Paragraph 11 of D.86-01-026 dated January 10, 1986.

In compliance with D.86-01-026, Pacific filed Advice Letter No.15070 and a Supplement on January 7, 1987 to establish a tariff schedule for the implementation of the DCA/DI service. By Resolution T-12004 on February 11, 1987, the Commission authorized Pacific to provide DCA/DI service on a one year provisional basis to be effective on February 15, 1987. The one year provisional authorization was to allow Pacific time enough to test the DCA/DI market for true customer response by tracking on a quarterly basis the profitability of the DCA/DI service before filing for a permanent tariff.

DISCUSSION

The DCA/DI service targets the large DA users that require a large volume of DA information from a number of area codes. Its success depends on its acceptance by the large DA users as an alternative to conventional 411 DA service. This acceptance depends on the availability of statewide DA information and subsequent service improvements to fit the needs of the large DA users.

However, since the DCA/DI service implementation date on February 15, 1987, Pacific has experienced difficulties that have resulted in delays of Pacific's phased implementation of statewide area code databases. These difficulties included reaching an agreement with General Telephone on the use of General Telephone's directory listings and delays from the vendor in supplying hardware and software necessary for continuous system testing when additional area code databases are added to the system. As a result of these problems, Pacific has not been able to implement all the states area codes and test the DCA/DI market for true customer response.

Only until recently has Pacific reached an agreement with General for the use of General's directory listing for furnishing its DCA/DI service. Since General Telephone is serving a significant portion of the Los Angeles areas with serving territories in the 213, 818, and 714 area codes, the inclusion of General Telephone's directory listing would enable Pacific to provide all Los Angeles areas' DA information to its DCA/DI customers and attract additional subscriptions.

Presently, only the 415 area code database is available to subscribers of Pacific's DCA/DI service. With the use of General's directory listing, the area code databases of large metropolitan areas and business centers such as the Los Angeles basin area (Area Codes 213, 818, and 714) are expected to be put on service in May 1988. Full statewide access to all area codes will then be accomplished by November 1988. Customers that are interested in statewide area code DA information would soon consider the DCA/DI service attractive when most area code databases have become available for their use.

The CACD staff, however, has grave doubts about the viability of this DCA/DI service based on Pacific's tracking reports and recent utility estimates. According to Pacific's 1987 quarterly tracking reports, delays and poor estimation have resulted in customer subscriptions and service profitability substantially different from the original study. In order to ensure that the continuation of the DCA/DI service would not require the general ratepayers to subsidize the DCA/DI service for a few large business DA users, Pacific will submit additional information to its feasibility study for 1988. Based on the results on this study, it will be determined whether the DCA/DI service should be extended, implemented permanently, changed or withdrawn.

FINDINGS

The Commission finds that:

The requested temporary extension of time to March 9, 1988 to allow Pacific the time required to finish and submit for staff's review the feasibility study and firm contract with General on the continuing provision of DCA/DI service is reasonable.

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on February 16, 1988 until March 9, 1988.

(2) Pacific Bell shall submit for staff's review no later than February 17, 1988 the 1988 feasibility study on the continuing provision of the DCA/DI service. The 1988 feasibility study shall reflect the revenues, expenses, profitability, and customer subscriptions of the DCA/DI service for the twelve months of 1988.

(3) All tariff sheets filed under Advice Letter No.15331 Supplement shall be marked to show such sheet were authorized by Resolution of the Public Utilities Commission No.T-12063.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 16, 1988. The following Commissioners approved it:

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



Executive Director