

Original

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12075
March 9, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING ON LESS THAN STATUTORY NOTICE AN EXTENSION OF TIME FOR PACIFIC BELL'S PROVISIONAL TARIFF OFFERING ON DIRECT CUSTOMER ACCESS/DIRECTORY INFORMATION (DCA/DI) SERVICE TO JUNE 7, 1988. THE CURRENT PROVISIONAL TARIFF EXPIRES ON MARCH 9, 1988.

SUMMARY

This resolution authorizes a 90 day extension of time to Pacific Bell for its provisional tariff offering on Direct Customer Access/Directory Information (DCA/DI) service to June 7, 1988. The service was originally authorized to be provided on a one year provisional basis by Commission Resolution T-12004 dated February 11, 1987. Resolution T-12004 authorized the DCA/DI service to become effective on February 15, 1987 and expire on February 15, 1988. A temporary extension of time to March 9, 1988 was authorized by Resolution T-12063 on February 16, 1988. The authorized temporary extension of time was to allow Pacific additional time needed to submit for staff's review a feasibility study on the DCA/DI service and a firm contract with GTE California (GTEC) for sharing the two companies' directory listings for the provision of DCA/DI service.

Due to the lengthy process required in a contract negotiation, Pacific has not been able to submit to the Commission a firm contract until today. The feasibility study submitted by Pacific, however, was not based on the current costs of providing the DCA/DI service. As a result of the late submission of the contract, staff was unable to proceed with the normal resolution process prior to today's Commission meeting to include this resolution in the public agenda. However, at the request of Pacific and in view of the extensive efforts demonstrated by Pacific in reaching a contract agreement with GTEC, the Commission will authorize a 90 day extension of time to Pacific. The extension of time authorized by this resolution will allow Pacific additional time to April 8, 1988 to complete and submit for staff's review a revised feasibility study based on the current view on the profitability of continuing the provision of the DCA/DI service. 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permanently, changed or withdrawn.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.15361 filed March 9, 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 June 7, 1988. The 90 day extension of time would allow Pacific additional time needed to complete and submit for staff's review a revised feasibility study on the profitability of 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. On February 16, 1988, by Resolution T-12063, the Commission authorized a temporary extension of time to March 9, 1988 to allow Pacific additional time to submit for staff's review a feasibility study on the DCA/DI service and a firm contract between Pacific and GTEC on sharing their directory listings for the provision of the DCA/DI service.

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 GTEC on the use of GTEC'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 statewide area codes and test the DCA/DI market for true customer response.

Only until recently has Pacific reached a firm agreement with GTEC for the use of GTEC's directory listing for furnishing its DCA/DI service. Since GTEC is serving a significant portion of the Los Angeles areas with serving territories in the 213, 818, and 714 area codes, the inclusion of GTEC'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 and 408 area code databases are available to subscribers of Pacific's DCA/DI service. With the use of GTEC'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 serious doubts about the viability of this DCA/DI service based on Pacific's tracking reports and recent 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 provision of the DCA/DI service will not require the general ratepayers to subsidize the DCA/DI service for the benefits of a few large business DA users, we will order Pacific to submit a revised feasibility study on the profitability of continuing the provision of the DCA/DI service. Based on the results on this study, it will be determined whether the DCA/DI service should be extended, implemented permanently, changed or withdrawn. In order to provide an incentive for Pacific to make the DCA/DI service profitable, the Commission will not allow the recovery of losses from ratepayers. The Commission, therefore, directs CACD staff to remove the \$1.76 million Pacific included in its 1988 attrition filing, Advice Letter No.15343, for the recovery of losses incurred in providing the DCA/DI service.

This matter did not appear on the public agenda as required by the Government Code; however, without the 90 days extension of time as authorized by this resolution, the operations of the existing customers of the DCA/DI service would be severely disrupted due to the expiration of the DCA/DI service today, a sufficient emergency exists to justify our action today under PU Code Section 306 (b). Therefore, good cause appearing,

IT IS ORDERED that:


(1) Authority is granted to make the above revisions effective on March 10, 1988 until June 7, 1988.

(2) Pacific Bell shall submit for staff's review no later than April 8, 1988 a revised feasibility study based on the current view of the profitability of continuing the provision of the DCA/DI service. The revised feasibility study shall reflect the current review of the revenues, expenses, profitability, and customer subscriptions in continuing the provision of the DCA/DI service.

(3) All tariff sheets filed under Advice Letter No.15361 shall be marked to show such sheet were authorized by Resolution of the Public Utilities Commission No.T-12076.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 9, 1988. The following Commissioners approved it:

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



Executive Director