

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12096
June 17, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING THE DETARIFFING OF EMBEDDED
DIGITAL NETWORK CHANNEL TERMINATING EQUIPMENT.

SUMMARY

This resolution approves Pacific Bell's (Pacific) Advice Letter No. 15400, filed May 20, 1988, which detariffs embedded digital network channel terminating equipment (NCTE). In January 1988, the FCC concluded that embedded NCTE should be detariffed the same as other embedded customer premises equipment (CPE) by July 1, 1988.

BACKGROUND

NCTE is a channel service unit which terminates a High Capacity Digital service or a Digital Data service at a customer's premises.

Embedded CPE, except for NCTE, public telephones, Centrex, automatic call distribution and concentrator-identifier equipment, and 101 ESS switches, was transferred by Pacific to AT&T in early 1984 as a result of Judge Greene's Modified Final Judgment. The exempt equipment remained with Pacific because of its close interaction with central office equipment. (The Commission detariffed CPE for the independent local exchange companies (LECs) effective January 1, 1987.)

DISCUSSION

The FCC has had several proceedings to address the disposition of the exempt embedded CPE. The objective has been to detariff all CPE for which there is a competitive market so that users can have a choice of equipment. However, it has been generally recognized that equipment should remain under regulation if:

1. The equipment is obsolete;
2. A competitive market does not exist;

3. There is a limited quantity of equipment; and
4. It is difficult for anyone other than the LEC to maintain and repair the equipment.

During the FCC's Third Computer Inquiry, it was determined that there is competition in the digital NCTE market, the embedded digital NCTE is not obsolete, of limited quantity and is not discontinued by the manufacturer. Therefore, it was ordered in FCC Docket No. 81-893 that embedded digital NCTE should be detariffed by July 1, 1988.

Loopback testing (remote testing on a 4-wire line to facilitate the isolation of trouble) is a function of NCTE or a network interface device, and will remain a maintenance service provided by Pacific as part of its regulated operation even though NCTE is detariffed.

A copy of this Advice Letter was mailed to competing and adjacent utilities and to other utilities and persons who had indicated an interest. To date, no protests have been received.

FINDINGS

1. Detariffing of embedded digital network channel terminating equipment effective July 1, 1988, is required by FCC Docket No. 81-893.
2. Pacific Bell has such equipment in its Digital Data Service B-5 and High Capacity Systems B-9 Tariffs.

IT IS ORDERED that:

(1) Authority is granted to to make the above revisions effective July 1, 1988.

(2) All tariff sheets filed under Advice Letter No. 15400 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission No. 12096.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 17, 1988. The following Commissioners approved it:

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



Executive Director