

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

C-3

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION NO. T-14002
Telecommunications Branch October 12, 1989

R E S O L U T I O N

GTE-CALIFORNIA. ORDER AUTHORIZING DETARIFFING OF THE
OPTIONAL CENTREX FEATURE CALLED CUSTOMER DIAL ACCOUNT
RECORDING (CDAR). BY ADVICE LETTER 5220, FILED ON JUNE 15,
1989.

SUMMARY

This resolution approves GTE-C's Advice Letter No. 5220, filed June 15, 1989, detariffing a Centrex optional feature called Customer Dialed Account Recording (CDAR). In July 1988, the Federal Communications Commission (FCC) concluded that CDAR was an enhanced service and not a basic service and should be detariffed by October 1, 1988.

CENTEX Telemanagement Inc. protested this advice letter.

BACKGROUND

GTE-C filed Advice Letter No. 5220 in response to a Federal Communications Commission (FCC) Memorandum Opinion and Order ENF 84-2, to detariff (remove from the tariffs) the Centrex offering of CDAR. In this Order, the FCC attempts to preempt state utilities commissions from regulating enhanced services, like CDAR. The California Public Utilities Commission (CPUC) has challenged the FCC's authority to preempt state commissions from regulating enhanced services in the courts, and at this time the case is unresolved GTE-C will continue to offer CDAR service to existing customers until a similar service is available.

Customer Dialed Account Recording (CDAR) allows a Centrex customer with Station Message Detail Recording (SMDR) to identify each call on the SMDR billing record. The SMDR feature provides the customer with a record of the date, time, duration, and called number of each outgoing call. The customer with CDAR may put up to eight digits of his/her own choosing for the SMDR billing record, prior to dialing a telephone number.

The FCC Memorandum Opinion and Order ENF 84-2 distinguished between basic and enhanced services in adopting a regulatory framework for

computer processing facilities. Section 64-702 (a) of the Rules defined "Enhanced Services" as services offered over common carrier transmission facilities used in interstate communications which employ computer processing applications that act on the format, content, code, protocol or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information.

Based on the FCC Memorandum Opinion and Order ENF 84-2 definition of enhanced services, the North American Telecommunication Association (NATA) petitioned for a declaratory ruling that certain Centrex features (including CDAR) and residential telephone services should be classified as enhanced services. The other services included automatic route selection-deluxe, facility restriction levels, deluxe queuing, facilities administration and control, traffic management data, automatic overflow to Direct Distance Dialing, forward call information and station message detail recording. In response, the FCC issued its NATA Centrex order, which recognized only CDAR as an enhanced service. Unlike the other services covered in the petition, which the FCC ruled were just adjuncts to basic service and therefore basic service (i.e., these services facilitated the provision of basic service without altering their fundamental character), CDAR allows Centrex customers to use the telephone companies' electronic switches for the storage and retrieval of customer of customer business information that is not used in the provision or management of the customer's telephone service. NATA appealed the decision.

On July 21, 1988, the FCC released a Memorandum Opinion and Order ENF 84-2 including NATA's Petition for Declaratory Ruling Under Section 64.702 of the Commission's Rules regarding the Integration of Centrex, Enhanced services, and Customer Premises Equipment. In this order the FCC concluded again that only one feature offered by the Regional Bell Operating Companies (RBOC) as part of Centrex, Customer Dialed Account Recording (CDAR), was an enhanced rather than a basic service, and therefore should be detariffed before October 1, 1988. The FCC held this ruling also to be consistent with its Computer III Phase II Order, which did not change the definition of enhanced service.

Pacific Bell by Advice Letter 15444, requested authority to detariff CDAR. The California Public Utilities Commission in Resolution No. 13019, granted that authority effective October 1, 1988.

PROTESTS

A copy of Advice Letter No. 5220 was mailed to competing and adjacent utilities and to other utilities and persons who had indicated an interest. On July 5, 1989, CENTEX Telemanagement Inc., (CENTEX) filed a protest to this advice letter citing four reasons for the protest:

1. CDAR is a valuable feature for CentraNet customers. Moreover, Centex plans to increase significantly its use of GTE-C's CDAR service. CDAR already is used extensively by CENTEX's clients in Pacific Bell's service area.
2. CentraNet customers, like CENTEX, effectively have no comparable alternative to CDAR service. Withdrawal and denial of CDAR would result in a significant degradation of service.
3. Continued provision of CDAR poses no hardship to GTE-C because all the facilities necessary to provide the service are already in place. However, withdrawal and denial of the service would result in idle investment, lost revenue, and unnecessary removal expense.
4. This Commission's requirement of continued provision of CDAR service on an untariffed basis would be consistent with FCC decisions regarding CDAR, and in fact would fill a regulatory void left by those decisions.

On July 18, 1989, GTE-C provided the Commission with a response to CENTEX's protest. In its response, GTE-C recognized that CENTEX had urged the Commission to require GTE-C to continue to provide CDAR service on a contractual basis, under terms similar to the currently tariffed CDAR service. However GTE-C claimed that Advice Letter No. 5220 was filed in compliance with the FCC Memorandum Opinion and Order ENF 84-2 which ordered enhanced service (CDAR) to be offered only on a detariffed basis.

GTE-C denies CENTEX's claim that Advice Letter NO. 5220 goes beyond "detariffing" the CDAR service and effectively withdraws CDAR service from the market place. GTE-C also claims that CENTEX fails to note GTE-C's stated intention to continue CDAR service to existing customers. GTE-C believes that continuing to offer CDAR service to existing customers (but not to accept new orders for service) is a fair and equitable approach in light of FCC Memorandum Opinion and Order ENF 84-2, which orders CDAR service to be removed from the tariff.

On July 26, 1989, GTE-C entered into negotiations with CENTEX to offer CDAR service on a contractual basis. All expenses and revenue for this service will be shown in a below-the-line account.

DISCUSSION

In response to the FCC's Memorandum Opinion and Order ENF 84-2, GTE-C filed Advice Letter No. 5220 with this Commission to detariff CDAR as an enhanced service. Although this advice letter should be

rejected, pending final decision from the courts on enhanced services, legally there is no choice at this time but to allow this advice letter to become effective October 12, 1989. However, the Commission reserves the right to make appropriate changes subject to our prevailing in the courts on the matter of preemption by FCC.

GTE-C has offered to continue to provide this service to existing customers indefinitely or until an alternative service is available.

CENTEX's claim, that GTE-C will discontinue CDAR service to existing customers, is unfounded. As stated in GTE-C's Advice Letter, CDAR service will be provided to existing customers indefinitely.

FINDINGS

1. Detariffing of Customer Dialed Account Recording (CDAR) is required by FCC Memorandum Opinion and Order ENF 84-2.
2. GTE-C has this optional feature in its CentraNet Services A-2 Tariff.
3. GTE-C filed Advice Letter No. 5220 on June 15, 1989, to detariff CDAR in response to FCC Memorandum Opinion and Order FCC 88-221.
4. California Public Utilities Commission Resolution No. 13019 authorized Pacific Bell to detariff its CDAR service on October 1, 1988.
5. The CENTEX protest should be denied.

IT IS ORDERED that:

- (1) Authority is granted to make the above revisions effective October 12, 1989.
- (2) All tariff sheets filed under Advice Letter No. 5220 shall be marked to show that such sheets were authorized by Resolution of Public Utilities Commission No. T-14002.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 12, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Wesley Franklin
WESLEY FRANKLIN
Acting Executive Director