

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14928
Telecommunications Branch April 22, 1992

R E S O L U T I O N

RESOLUTION T-14928. PACIFIC BELL (U-1001-C). PACIFIC BELL REQUEST FOR PERMANENT AUTHORITY FOR CUSTOM 800 SERVICE.

BY ADVICE LETTER NO. 16188, FILED ON FEBRUARY 14, 1992

SUMMARY

On February 14, 1992, Pacific Bell (Pacific) filed Advice Letter No. 16188 requesting permanent authority to provide Custom 800 Services, Schedule Cal P.U.C. A7. This Resolution rejects Pacific's request for permanent authority for Custom 800 Service and renews the provisional authority contained in Commission Resolution T-14064 until April 22, 1993.

In addition, Advice Letter No. 16188 contains minor text changes to the existing Custom 800 Service tariff. We approve these minor text changes for the provisional authority.

BACKGROUND

On April 11, 1990, Resolution T-14064 granted Pacific two-year provisional authority to offer Custom 800 Service. The authority for Pacific's Custom 800 Service expired on April 13, 1992. Pacific filed Advice Letter No. 16188 on February 14, 1992 seeking permanent authority for its Custom 800 Service.

PROTESTS

On March 5, 1992, MCI Telecommunications Corporation (MCI) protested Advice Letter No. 16188, citing Pacific's failure to comply with the Commission's Phase II Decision, D.89-10-031. Specifically, MCI was concerned about Pacific's failure to comply with the Commission's unbundling, imputation, and nondiscriminatory access requirements. In addition, MCI noted these same issues are also being addressed in the Commission's Phase III/Implementation Rate Design (IRD) proceeding (I.87-11-033) as they apply to intraLATA competition in California.

MCI also brought to the Commission's attention the recent FCC decision which seeks to make competitive the nationwide 800

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market within one year and provides the steps necessary to meet this goal. MCI states that making permanent Pacific's provisional Custom 800 Service authority without taking into account this FCC ruling would be premature.

On March 13, 1992, Pacific responded to MCI's March 5 protest. Pacific reminded the Commission of its compliance with the Commission's requirement for new products. Specifically, Pacific argued that it had complied with all the unbundling, imputation and nondiscriminatory access requirements contained within Commission Resolution T-14064. Pacific maintains that MCI's claims regarding Pacific's noncompliance are unfounded and should be dismissed for lack of merit.

Pacific notes that the current IRD proceeding and the FCC ruling will have an impact on the 800 market. However, it states that withholding Custom 800 permanent authority would be contrary to present industry dynamics. Pacific reminds the Commission that the regulatory environment of the 800 market is as unclear now as when the provisional authority was granted two years ago. Therefore, Pacific encourages the Commission to avoid delaying until other regulatory proceedings are resolved.

MCI responded to Pacific's protest response on March 25, 1992. In this response, MCI renewed its protest to granting permanent authority to Pacific's Custom 800 tariff.

DISCUSSION

The Commission Advisory and Compliance Division (CACD) has reviewed Advice Letter No. 16188 as well as MCI's protest to that advice letter and Pacific's response to MCI's protest. CACD has verified the issues raised in MCI protest are indeed contained within the context of the IRD proceeding. CACD believes the advice letter process is the not proper arena to litigate the issues raised by MCI regarding Advice Letter No. 16188. The IRD proceeding is addressing the subject of competition. Both MCI and Pacific Bell have submitted testimony regarding competition in the 800 market. The Commission will decide the issues of competition in California's 800 market later in 1992.

However, CACD recognizes that authority for Pacific's Custom 800 Service expired on April 13, 1992. Therefore, it is recommending a one-year provisional reauthorization of Pacific's Custom 800 Service. CACD believes this one-year extension provides sufficient time for the IRD proceeding to conclude and for Pacific to request permanent authority consistent with the forthcoming ruling.

CACD reviewed the minor text changes to the Custom 800 Service Tariff and recommends their approval.

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FINDINGS

1. On February 14, 1992, Pacific Bell filed Advice Letter No. 16188 requesting permanent authority for the Custom 800 Service tariff for which it was granted provisional authority by Commission Resolution T-14064. Pacific also requested minor text changes to the existing Custom 800 Tariff.
2. On March 5, 1992, MCI Telecommunications Corporation protested Advice Letter No. 16188 on the basis of Pacific's noncompliance with the Commission's unbundling, imputation, and nondiscriminatory access requirements.
3. MCI also stated in its protest that these issues are currently being addressed in the Commission's IRD proceeding.
4. Finally, MCI noted recent a FCC ruling seeking to make the nationwide 800 market competitive within one year.
5. On March 13, 1992, Pacific responded to MCI's protest noting its compliance with all aspects of Resolution T-14064.
6. Pacific encouraged the Commission not to delay the granting of permanent authority for Custom 800 Service because of other state and federal regulatory proceedings concerning the 800 market.
7. On March 25, 1992, MCI restated its protest of Advice Letter No. 16188 and requested that the Commission withhold permanent approval until the conclusion of the IRD proceeding.
8. After reviewing Advice Letter No. 16188, the MCI protests, and Pacific's responses, CACD believes that the issues raised by Pacific and MCI should be addressed in the IRD proceeding and not through the advice letter process.
9. CACD recommends a one-year provisional reauthorization of Pacific Bell's existing Custom 800 Service tariff and the approval of the minor text changes requested in Advice Letter No. 16188.

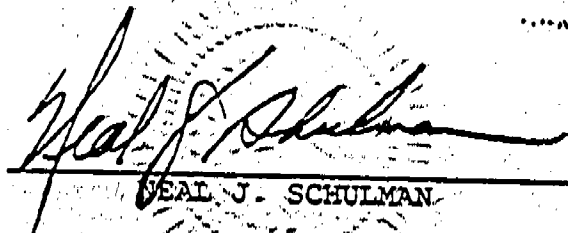
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THEREFORE, IT IS ORDERED that:

1. Pacific Bell is granted authority to offer Custom 800 Service on a provisional basis until April 22, 1993 under the same conditions imposed in Commission Resolution T-14064 or until further order of the Commission.
2. The text changes requested in Advice Letter No. 16188 are approved.

The effective date of this Resolution is today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 22, 1992. The following Commissioners approved it:



NEAL J. SCHULMAN

DANIEL Wm. FESSLER
President
JOHN B. OZANTIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners