

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15778\*  
Telecommunications Branch January 10, 1996

R E S O L U T I O N

RESOLUTION T-15778. GTE CALIFORNIA INCORPORATION.  
REQUEST TO PROVIDE AUTOMATIC NUMBER IDENTIFICATION FOR  
THE NAVAL CONSTRUCTION BATTALION CENTER UNDER A  
CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 5775 FILED JANUARY 24, 1995.

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SUMMARY

GTE California Incorporated (GTEC) requests authority under provisions of General Order No. 96-A (G.O. 96-A) and Decision Nos. (D.) 88-09-059 and 94-09-065 to provide monthly call detail report for originating telephone number calling activity for the Naval Construction Battalion Center (NCB) at Port Hueneme, Ca. under a customer-specific contract. GTEC will utilize its Automatic Number Identification (ANI) functionality to generate the requested call detail.

AT&T Communications of California, Inc. (AT&T) filed a protest to Advice Letter No. (AL) 5775 on February 14, 1995 and GTEC filed its response on April 14, 1995. Based on a review of the allegations cited in the protest and GTEC's response, the protest has some merit to the extent it agrees with Finding No. 3 of this Resolution.

This Resolution authorizes GTEC's request. GTEC estimates that the annual revenue impact of this filing will be an increase of \$11,184.

BACKGROUND

In D.88-09-059 the Commission adopted a modified Phase I Settlement. Under the provisions of the Settlement, the Local Exchange Companies (LECs) are not prohibited from providing non-tariffed service under contract. The requested call detail that utilizes ANI is a non-tariffed service. The settlement provides that such contracts become effective upon authorization by the Commission.

The process and requirements for filing of advice letters to request authorization of customer-specific contracts are set forth in Appendix A of D.88-09-059. Additional specifications for advice letter filings requesting authorization to provide service under contract are provided in Resolution Nos. T-13091 and T-13069.

D.90-04-031 further requires that special contracts comply with the principles of imputation, unbundling, nondiscriminatory access adopted in D.89-10-031 and that prices for monopoly utility services will be based on their underlying costs. The Commission by D.94-09-065 clarified these principles and adopted other changes to the contracting requirements. The proposed contract complies with the contracting requirements.

Supplement A to AL 5775 was filed February 3, 1995 requesting a regular 40 day notice (non-governmental contract) effective date in place of a one-day notice. Supplement C was filed on May 26, 1995 requesting withdrawal of AL 5775 (GTEC inadvertently mislabeled Supplement B as Supplement C and did not file a Supplement B). Supplement D was filed on May 31, 1995 stating that Supplement C was filed in error and is withdrawn. Supplement E was subsequently filed to make a minor correction.

Automatic Number Identification is the automatic identification of the calling station, usually for automatic message accounting which is recording and processing of information relating to calls for billing purposes. GTEC's ANI is a component of Switched Access provided out of the C-1 (Facilities For Intrastate Access) Tariff in conjunction with its Feature Group B, C, D, and 800 Access Service.

The customer requested that GTEC provide monthly call detail report so that outgoing calls would be charged to the originating station for billing purposes. The requested service is a non-tariffed service which GTEC would provide using the ANI function. The existing switch has the built-in capability (by reprogramming the software) of providing the information requested.

Under the terms of the five year contract, GTEC agrees to provide a monthly call detail report for all out-going calls which includes measured service, and all GTEC DOD (Direct Outward Dialing) trunk group Calls for ZUM (Zone Usage Measurement), GTEC Toll DDD (Direct Distance Dialing) and international calls for the NCB at a monthly rate of \$932. The monthly call detail report will be used to allow the NCB to bill back toll charges to the originating stations.

GTEC estimates that the annual revenue impact for this filing will be an increase of \$11,184.

NOTICE

GTEC states that a copy of the Advice Letter was mailed to competing and adjacent utilities, and/or other utilities and to the customer in the contract. The Advice Letter was listed in the Commission's Daily Calendar of January 27, 1995.

PROTESTS

AT&T filed a protest to AL 5775 based on the following assertions:

- o GTEC proposes to provide ANI, a Category I service component, at a non-tariffed rate which violates D.94-09-065. D.94-09-065 states that contracts may include Category I services only if they are not priced lower than the tariff rates.
- o GTEC's contract violates the Commission's price floor regulations. No price floor has been established for ANI.
- o The contract is too vague to meet the Commission's public disclosure requirements. The contract must disclose rates, services and terms. AL 5775 does not meet these requirements.
- o GTEC should not be allowed to discriminate in its unbundling of monopoly building blocks.

In conclusion, AT&T requests that the Commission reject AL 5775 because it is in violation of numerous Commission regulations.

In its response, GTEC states that AT&T's protest is groundless and was submitted to delay its offering of the service to its customer in an attempt to use the regulatory process to its competitive advantage. GTEC concludes that AT&T's protest should be denied for the following reasons:

- o AT&T characterizes ANI as a Category I service because it is a component of Switched Access. ANI is also a component of toll and it is just as accurate to characterize it as a Category II service. In either case, ANI may be provided under contract.
- o GTEC's contract does not violate any price floor regulations. Price floors do not have to be established for non-tariffed services. The requirement is that the contract rate covers the cost of the non-tariffed service. The cost support data is sufficient and is identical to cost support submitted to and accepted by the Commission in the past.

- o GTEC has not discriminated in its unbundling of monopoly building blocks (MBB). ANI is not a MBB because it is offered by other providers such as AT&T. Issues concerning unbundling of services are being addressed by the Commission in its OANAD (Open Access and Network Architecture Development) proceeding. Contract for services on an individual case basis are allowed under D.94-09-065.

GTEC concludes that AT&T's protest is groundless and should be rejected.

#### DISCUSSION

In its protest of AL 5775, AT&T contends that the contract violates D.94-09-065 competitive safeguards which bans contracting for Category I services at off-tariff rates, price floor regulations and contract disclosure requirements. In addition, the contract is discriminatory in that GTEC is exercising its monopoly provider position to selectively unbundle a monopoly building block service element in a manner that is not generally available to its competitors.

In its protest of AL 5775 AT&T states, "Since ANI is a Category I service with no associated tariff rate, GTEC's proposed contract does not comply with the Commission's order that, [c]ontracts may include Category I services only if they are priced not lower than the tariff rates." In the referenced statement, the Commission was referring to the rates of Category I tariff services, not non-tariffed services (e.g., central office prefix).

Non-tariffed services are services which do not have sufficient market demand or the uniqueness of the service makes it inappropriate to offer under tariff. These services are offered under contract to meet the needs of a few customers.

AT&T says that GTEC's attempt to unbundle on a customer-specific contract basis is contrary to the Commission's policy that access must be provided on a non-discriminatory basis. GTEC has indicated that it will provide ANI under contract to AT&T or any other customer upon demand.

AT&T also indicates that the public disclosure requirements require contracts to clearly disclose rates, services and terms. The rate of \$932 per month and the 5 year service term are not in dispute. However, AT&T's concern that the description of service provisioned in the contract is too vague has some merit.

GTEC filed AL 5775 Supplement F on January 9, 1996 to clarify the service that will be provided to the NCB. GTEC indicates in the supplement that although in the contract the monthly call detail report being provided utilizes GTEC's ANI functionality, the information is not the same as real-time ANI information that is provided to InterExchange Carriers or other LEC's. The call detail is only provided via hardcopy printout one month in arrears and only to the NCB to allow it to accurately bill back the intra- and interLATA toll charges to the originating stations of its various Naval units.

Under the 5 year contract, GTEC will track all outgoing calls from the NCB's existing on-base switching system to the ANI software located in GTEC's local central office. GTEC will use the ANI function to assign out-going calls to the stations making the calls for billing purposes. The NCB's existing switching system is not capable of capturing the level of call detail required to allocate telephone usage to individual Naval units. GTEC will provide the NCB with a monthly printout of originating telephone number calling activity for each station. No information associated with incoming calls, including 800 traffic, will be recorded nor provided to the NCB under this contract.

In reviewing Advice Letter No. 5775 as supplemented, CACD also notes the following:

- a. GTEC requests confidential treatment of the workpapers and cost support documentation associated with the contract.
- b. The contract rate equals or exceeds GTEC's direct embedded cost to provide a monthly call detail report.
- c. The Advice Letter as supplemented indicates that the costs and revenue associated with the contract will be tracked.

CACD concludes that the Advice Letter as supplemented meets the requirements set forth in the Commission Orders and G.O. 96-A and recommends that the Commission approve this filing. CACD also notes that Commission approval is based on the specifics of this Advice Letter and the associated contract and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

#### FINDINGS

1. GTEC filed Advice Letter No. 5775 as supplemented requesting Commission authorization to provide a monthly call detail report for the Naval Construction Battalion Center under a customer-specific contract.
2. The Advice Letter as supplemented and the contract conform to the requirements of Decision No. 94-09-065 and G.O. 96-A.

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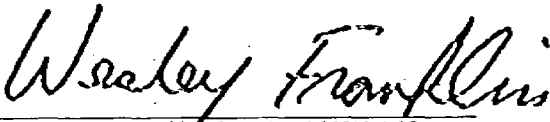
3. AT&T's protest that the service description is too vague has some merit.
4. GTEC states that authorization of this contract will result in an estimated annual revenue increase of \$11,184.
5. Commission authorization of this Advice Letter as supplemented and of the contract does not establish a precedent for the contents of future filings or for Commission approval of similar requests. Commission approval is based on the specifics of this contract.
6. The rates, charges, terms and conditions of the contract approved in this Resolution are just and reasonable.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make GTE California Incorporated Advice Letter No. 5775 as supplemented and the associated contract effective on January 11, 1996.
2. AT&T Communications of California, Inc.'s protest has some merit to the extent it agrees with Finding No. 3 of this Resolution. GTEC's proposed ANI service is detailed in the "Discussion" portion of this Resolution.
3. The Advice Letter as supplemented and the contract shall be marked to show that they were authorized by Resolution T-15778.

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 January 10, 1996. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners