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Decision 96-02-072 February 23, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking)
on the Commission's Own Motion)
into Competition for Local Exchange)
Service.)

ORIGINAL
R.95-04-043
(Filed April 26, 1995)

Order Instituting Investigation)
on the Commission's Own Motion)
into Competition for Local Exchange)
Service.)

I.95-04-044
(Filed April 26, 1995)

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ORDER OF PHASE II DECISION . . .

Introduction (I) notated by
of a letter and information (In memo of info isubseq)
By this decision, we take a further step forward toward
our ultimate goal of instituting a competitive market for
telecommunications services for all Californians. As outlined
herein, we approve the petitions of the competitive local carriers
(CLCs) set forth in Appendix A for authority to resell the local
exchange service of Pacific Bell (Pacific) and GTE California
(GTEC) within prescribed service territories and subject to our
adopted interim rules. In a companion decision before us today,
interim wholesale rates and related terms and conditions are
established pertaining to the competitive resale of local exchange
service.

By this decision, we also dispose of Phase II rulemaking
issues in this proceeding which were not the subject of evidentiary
hearings. These issues relate principally to the proposed interim
rules issued April 26, 1995, for comment and which have not been
resolved in our previously issued orders. These Phase II issues
include the reasonableness of resale tariffs, nonrate terms and
conditions, switched carrier access, service ordering, access to
local exchange carrier (LEC) databases and directory assistance
(DA) services, and rights-of-way access issues. The rules we adopt
herein apply to CLCs providing competitive local exchange service
within the service territories of Pacific and GTEC.

open market entry for facilities-based CLCs effective January 1,
1995, and for CLECs effective March 1, 1995.
A procedural schedule was set forth by Administrative Law
Judge (ALJ) ruling dividing the remainder of the proceeding into
three phases. Phase I issues dealt with certification of

1 The term "Local Exchange Carriers (LECs)" as used throughout
this order refers exclusively to Pacific and GTEC. Appendix A

II. Procedural Background

By Decision (D) 94-12-053, we formally adopted a procedural plan to open all telecommunications markets to competition by January 1, 1997. As part of that plan, we instructed the Commission Advisory and Compliance Division (CACD) to accept parties' informal proposals for interim rules for local competition, as submitted on January 31, 1995. We reviewed parties' proposals and took them into account, as appropriate, to develop proposed interim rules for local exchange competition. On April 26, 1995, we instituted this rulemaking and investigation and concurrently issued proposed rules for competitive local exchange service within the service territories of Pacific and GTEC. The proposed rules were contained in Appendix A and Appendix B of the April 26 order.

Comments on the proposed rules were received on May 24, 1995, and further oral comments were provided at a Full Panel Hearing on June 9, 1995. In consideration of parties' comments, we issued D.95-07-054 which addressed the need for evidentiary hearings on certain issues and developed a general procedural plan for further implementation of local exchange competition. D.95-07-054 also adopted initial rules relating to certain categories of the proposed rules issued in April 1995 (i.e., local competitive entry, certification, tariff procedures (covering Appendix A, Sections 1-5) and consumer protection rules (covering Appendix B in its entirety)). We also established a procedure for open market entry for facilities-based CLCs effective January 1, 1996, and for CLC resellers effective March 1, 1996.

A procedural schedule was set forth by Administrative Law Judge (ALJ) ruling dividing the remainder of the proceeding into three phases. Phase I issues dealt with certification of facilities-based CLCs, interconnection issues (Section 8 of Appendix A) and related rulemaking issues required to institute

facilities-based competition effective January 1, 1996. Phase I issues were resolved by D.95-12-056 and D.95-12-057. Phase II covers certain issues to be addressed through evidentiary hearings and other issues subject to written comments only. Issues relating to interim number portability pricing and franchise impacts, originally Phase II issues, were rescheduled to be addressed in separate decisions. Interim number portability issues (Appendix A Section 6) are addressed in a proposed decision mailed on January 8, 1996 and currently pending our vote. A subsequent proposed decision was mailed January 24, 1996, addressing Phase II hearing issues. Franchise issues will be separately addressed in a decision expected to be issued before May 1, 1996.

Phase II was also designated to dispose of disputes regarding the portions of the April 26 proposed rules which remain to be addressed (i.e., Appendix A Sections 9-12). As directed by D.95-07-054, these rulemaking issues were to be addressed by written comment only. This present decision resolves these remaining Phase II issues. Parties filed comments on the proposed rules on May 24, 1995. By ALJ ruling, parties were authorized to file further written comments on those portions of the proposed rules which were designated for Phase II. Comments on resale and access to data bases were filed on October 10, 1995. Opening comments on other Phase II issues were filed on October 23, 1995 and reply comments were filed on November 27, 1995. The major parties submitting filed comments were Pacific, GTEC, the California

The Coalition currently consists of AT&T Communications California, Inc.; California Association of Long Distance Telephone Companies; California Cable Television Association; California Payphone Association; ICG Access Services, Inc.; MCI Telecommunications Corporation; Sprint Communications Co., L.P.; Teletel Communications Group; Time Warner Axs of California, L.P.; and Toward Utility Rate Normalization.

Telecommunications Coalition,² the Commission's Division of Ratepayer Advocates (DRA), and Citizens Utilities (Citizens) and Comments focusing on compensation for access to LEC databases were filed by Metromail and the Association of Directory Publishers (ADP). Various other parties filed comments on miscellaneous Phase II issues.

In adopting the interim rules set forth herein we have taken into account the comments previously filed by all parties as summarized above.

III. CLC Reseller Petition Approval

A. Introduction

As directed in D.95-07-054, prospective CLCs were to file petitions for authority by September 1, 1995, to enable us to act upon and approve them in time to allow local exchange competition for facilities-based CLCs to begin by January 1, 1996, and for CLC resellers to begin by March 1, 1996. As explained in D.95-07-054, we are using the investigation docket of this proceeding to administer the certification of all of the eligible CLC petitions which were filed by September 1, 1995. The CLC petitions were scheduled to be processed and approved in two consolidated groups. The first group of eligible petitions, representing 31 facilities-based CLCs, was approved in D.95-12-057 for authority to begin offering competitive local exchange service effective January 1, 1996.

² The Coalition currently consists of AT&T Communications California, Inc.; California Association of Long Distance Telephone Companies; California Cable Television Association; California Payphone Association; ICG Access Services, Inc.; MCI Telecommunications Corporation; Sprint Communications Co., L.P.; Teleport Communications Group; Time Warner AXS of California, L.P.; and Toward Utility Rate Normalization.

TABLE 1 -- NUMBER OF COMPETITIVE LOCAL CARRIERS CERTIFICATED TO PROVIDE RESALE SERVICE

Competitive Local Carriers (CLCs)	Number
Total number of CLCs which applied for certification by 9/1/95	66
Less:	
Number of CLCs which applied for certification only as facilities-based carriers by 9/1/95	- 3
Total number of CLCs which applied for certification as resellers by 9/1/95	63
Less:	
Caribbean and Venture Technologies which did not respond to deficiency letters in a timely fashion	2
Working Assets which did not respond to its deficiency letter in a timely fashion	1
Communications Telesystems International which is currently being investigated by the Commission's Safety and Enforcement Division	1
Total number of CLCs certificated as resellers in this decision	59

The second group of eligible petitions representing prospective CLC resellers is before us for certification in this decision, to begin service effective March 1, 1996. Those facilities-based CLCs who met the September 1, 1995 filing date but who did not meet the eligibility requirements for certification in D.95-12-057, were added to the pending group of petitions seeking CLC resale authority. All filings for certification after the September 1, 1995 deadline have been treated as routine applications for authority, and will be processed individually rather than in consolidated groups, their decisions being issued commencing after March 1, 1996.

Pursuant to this decision, we shall authorize 59 CLCs to competitively resell local exchange service within the service territories of Pacific and GTECO. (See Table I for a breakdown of the petitions.) The 59 eligible CLCs includes 28 CLCs who were previously certificated as facilities-based CLCs in D.95-12-057 and B. Results of Petition Review

By September 1, 1995, petitions were filed by 66 CLCs seeking authority to enter the local exchange market. The 66 petitioners include cable television companies, cellular companies, long distance service providers, and various other telecommunications companies, including some that specialize in transporting data. Also among the petitioners are Pacific and GTEC each seeking authority to compete in each other's service territory. No protests to the petitions were received with one exception as discussed below. Forty of the 66 petitions sought authority to offer facilities-based service. In D.95-12-057, we granted conditional authority to 31 facilities-based CLCs. Twenty-six CLCs sought authority only to offer resale service using the facilities of either Pacific or GTEC, or other carriers. In all, 63 petitioners requested resale authority, with only 3 petitions requesting only facilities-based authority. For those petitioners which sought

authority for both facilities-based and resale service which are included in the Appendix A listing, we granted authority only for facilities-based service in D.95-12-057. We shall act upon the CLCs' remaining request for resale authority in this decision. Accordingly, there are a total of 63 CLC petitions before us for authority to resell local exchange service. Based upon our review, we find that 59 of the petitions currently meet our stated criteria for certification as CLC resellers and accordingly grant them a certificate of public convenience and necessity (CPCN) authority effective March 1, 1996.

The CLC reseller petitions have been reviewed for compliance with the certification and entry interim rules adopted in Appendices A and B of D.95-07-054 and D.95-12-057. Petitioners requesting both facilities-based and resale authority were reviewed prior to certification as facilities-based CLCs in D.95-12-057 and those petitions were not reviewed further. Consistent with our goal of promoting a competitive market as rapidly as possible, we are granting authority to all CLCs who have met the certification and entry requirements set forth in our interim rules. The purpose of the rules is to protect the public against unqualified or unscrupulous carriers, but to encourage the entry of a large number of CLC providers to promote the rapid growth of competition. We conducted a review of the past record of the petitioners who are already certificated for other services to determine their fitness to offer local exchange service. A review of the complaint histories for some of the certificated carriers revealed that a few companies had significantly higher than average ratios of complaints to revenues. Some of those companies with the higher than average complaint histories have been accused of slamming. If the allegations of slamming against these companies are proven, we will take appropriate action at that time.

This Commission is on record that it will vigorously pursue any company engaged in slamming activities. We stated in a

D.95-12-057 that we intend to prevent the emergence of the practice of slamming in California's newly competitive local exchange market. We will be vigilant and respond swiftly to any occurrences we find. As a result of this decision, numerous CLCs are poised to enter the local exchange market. Those companies will be operating in a new environment where slamming will change a customer's dial tone provider. This could mean that a customer has a lesser grade of service or perhaps no service at all. We put these competitive local carriers on notice that we will be monitoring slamming complaints filed against them and intend to take whatever steps are necessary to ensure compliance with applicable state law and our own rules against slamming, including revocation of a noncompliant company's operating authority.

Petitioners had to demonstrate that they possess the requisite managerial qualifications, technical competence, and financial resources to provide local exchange service. As prescribed in Rule 4.B.(1) of Appendix A of D.95-07-054, CLCs seeking resale authority must demonstrate that they possess a minimum of \$25,000 in cash or cash equivalent resources as defined in the rule. Petitioners were also required to submit proposed tariffs which conform to the consumer protection rules set forth in Appendix B of D.95-07-054.

We have also reviewed the petitions for compliance with California's Environmental Quality Act (CEQA) or CEQA requires that Commission to assess the potential environmental impact of any project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is maintained or enhanced to the fullest extent possible. To achieve this objective, Rule 17.1 of the Commission's Rules requires the proponent of any project subject to Commission discretionary approval to submit an environmental assessment with the petition for approval of such project. This is referred to as a Proponent's Environmental Assessment (PEA). The PEA is used by the Commission to focus on

any impacts of the project which may be of concern and to prepare the Commission's Initial Study, to determine whether the project would need a Negative Declaration or an Environmental Impact Report. Review of the PEAs for facilities-based petitioners revealed the need for CACD to perform a draft Mitigated Negative Declaration and Initial Study generally describing the facilities-based petitioners' projects, their potential environmental effects, and mitigations measures to address those effects. After a public comment period, CACD finalized the Mitigated Negative Declaration and in D:95-12-057 we adopted it and CACD's proposed Mitigation Monitoring Plan.

In the current phase of this proceeding we also reviewed the PEAs submitted by CLC reseller petitioners to determine if there would be any adverse impacts on the environment as a result of their entering the local exchange market. Under the definition adopted in D:95-07-054 (Appendix A/A31L), resellers do not directly own any of the facilities used in the provision of local exchange service. Since resellers do not use any of their own facilities and will not be constructing facilities of any kind, we are able to determine with certainty that their entrance into the local exchange market will not have an adverse impact on the environment.

CLC petitioners were also given further guidance regarding the requirements for CLC petitions through issuance of an ALJ ruling dated August 17, 1995, and in D:95-12-057 in which we certificated the initial group of facilities-based CLCs. Petitioners for CLC resale authority were notified by letter during the week of January 16, 1996, regarding deficiencies in their filings, and were given 15 days in which to file corrections. Commonly encountered deficiencies included tariffs which were unclear or internally inconsistent or in conflict with our adopted interim rules. Corrections were submitted by petitioners during the weeks of January 29 through February 6, 1996, in response to

the deficiency letters. We have reviewed the filings and the corrections which were submitted in response to the deficiency letters. Some companies, which are discussed below, warrant individual comment and assistance. All deficiencies were corrected.

Communications TeleSystems International (CTS) timely filed a petition requesting authority to operate as both a facilities-based and resale CLC. CTS currently holds a CPCN from this Commission (U-5273-C) to operate as an interexchange carrier (IEC). In D.95-12-057 we withheld certification of CTS because we were advised that our Safety and Enforcement (S&E) staff were in the process of conducting an investigation into the business practices of CTS and were reviewing allegations of abusive marketing and business practices. S&E stated its intention to file a protest prior to January 10, 1996, to CTS being authorized to provide local exchange services.

S&E filed its protest on January 4, 1996, stating that its preliminary investigation indicates that marketing practices used by CTS to obtain its long distance customers appear to violate Public Utilities (PU) Code Section 2889.5. S&E reviewed transcripts of verification calls made to customers who CTS stated had agreed to switch long distance service. Such verification is required by PU Code Section 2889.5. The independent verification process is intended to verify the subscriber's intent to change their telephone provider. However, S&E found that some transcripts show that rather than verifying previous sales, the confirmation agents act as sales agents if the customer does not give the agent a positive verification. Furthermore, S&E contends that agents provide false and misleading information to customers. At the very least, the verification transcripts show that the customers are not thoroughly informed of the nature and extent of the services offered, as required by PU Code Section 2889.5(a)(1). S&E observes that in issuing rules for CLC certification, the Commission

Commission stated that applicants must possess the requisite of managerial qualifications, financial resources, and technical competency to provide local exchange telecommunications services. S&E believes its investigation demonstrates that CTS uses marketing practices that violate Section 2889.5 when soliciting long distance customers, and therefore does not possess the managerial and technical competency that must be required of CLCs operating in California. Furthermore, S&E believes it is likely that CTS will use similar marketing practices in its CLC operations and such practices would similarly violate the CLC consumer protection (CCL) rules. S&E recommends that the Commission not act on CTS's request for CLC authority until S&E completes a full investigation of CTS's marketing practices. CTS responded to S&E's protest on January 19, 1996. While CTS takes issue with several of the points raised by S&E, we are not persuaded to dismiss S&E's protest.

We will grant S&E's request to defer granting authority to CTS until S&E has an opportunity to complete its investigation. We have reiterated above our intent to take any action within our authority to prevent slamming. Therefore, we remove CTS's instant petition for CLC authority from this docket and convert it to an application for CLC authority. Such application will not be acted upon until S&E has completed its investigation and we are satisfied that CTS has not operated in violation of PU Code 2889.5. **D. Cellular Radio Service Providers**

Four facilities-based cellular carriers registered by this Commission filed for both facilities-based and resale CLC authority. The four are: Bakersfield Cellular Telephone Company (U-3017-C), Cellular 2000 (U-3037-C), Mammoth Cellular, Inc. (U-3025-C), and SLO Cellular, Inc. (U-3044-C). In addition, United Communications, a Limited Liability Company which, according to its Petition, is commonly controlled with Sanjay Cellular Telephone, Inc. (U-3019-C) (Petition, pp. 1-2) filed for both

facilities-based and resale authority. The tariffs filed by the five companies did not describe the specific service the companies intend to provide.

On D.95-12-057 directed the five petitioners to supplement their petition filings with additional information describing exactly what facilities, if any, beyond their existing cellular facilities they intend to use for competing in the local exchange market and the specific services they intend to provide. On January 16, 1996, the five companies all filed amendments to their petitions, withdrawing their request for authority to provide facilities-based local exchange telecommunications service. The filings stated that at present, the companies seek only to provide local exchange service as resellers. We are ready to act on the five petitions for resale authority at this time.

In the same decision, the Commission invited potential CLCs, LECs, and current cellular carriers to comment on the legal jurisdictional issues surrounding LEC-CMRS interconnection and the appropriateness of bill and keep for CMRS interconnection. On January 15, 1996, parties filed comments and reply comments were filed on January 25, 1996. Since the five cellular CLCs withdrew their petitions for facilities-based authority, the Commission need not resolve LEC-CMRS interconnection issues in this decision. The issue will be set for hearings in Phase III of this proceeding. These hearings will address the issues introduced in briefs, particularly the extent to which the Commission can or should establish LEC-CMRS interconnection policies similar to LEC-CLC interconnection policies.

B. Caribbean Telephone and Telegraph (Caribbean) and Venture Technologies Group dba Allegro Communications (Venture)

Caribbean and Venture both made timely filing of their petitions for local exchange authority. Commission staff reviewed the companies' petitions and sent a deficiency letter to each

company on November 27, 1995. In response to the deficiency letters, both companies asked for extensions of time to correct their deficiencies. In D.95-12-057 we granted their request for extensions of time to file corrections to their filings and indicated that we would consider their petitions with the reseller group to be certificated in February 1996. The two companies were ordered to file their corrections by January 15, 1996.

Although CACD staff discussed the deadline for filing corrections with the two companies, neither company had filed its corrections by February 9, 1996, more than 3 weeks after the deadline we established. We will not approve their petitions at this time, and therefore, order that the petitions for both Caribbean and Venture be converted to applications which will be addressed outside this docket.

F. Working Assets Funding Service

Working Assets Funding Service (Working Assets) timely filed on September 1, 1995, for authority to provide competitive local service as a reseller. Working Assets was sent a deficiency letter on January 16, 1996, but did not respond in writing to the deficiency letter. Instead, in informal discussions with CACD staff, Working Assets indicated its intent to wait until wholesale rates were set before determining whether the company wished to enter the local exchange market as a reseller. Therefore, we convert Working Assets' petition to an application which will be addressed outside this docket.

G. Pacific and GTEC's Petitions

Pacific and GTEC timely filed for authority to compete in each other's territories on both a facilities-based and a resale basis. In D.95-12-057 we certificated both companies as facilities-based competitive local carriers. In this decision we approve their further request to be certificated to provide resale service in each other's territories. Pacific and GTEC's resale

authority, is subject to the pricing rules adopted for CLCs and is applicable only within each other's service territories.

H. Authority Granted

Based upon our review, we conclude that 59 of the CLC reseller petitioners have satisfactorily complied with our certification requirements for entry, and accordingly grant these petitioners CPCN authority to competitively resell local exchange service effective March 1, 1996. The list of petitioners eligible to commence service March 1, 1996, which includes those facilities-based petitioners who also requested resale authority, is set forth in Appendix A. Unless otherwise noted, petitioners will be authorized to begin service effective on or after March 1, 1996, upon the filing of tariffs in accordance with the terms and conditions set forth in the proposed tariffs filed with their petitions or, as applicable, with their filed corrections of deficiencies. In the case of certain CLCs as identified in Appendix C, the authority granted is conditional upon the CLC further amending its filed tariff as described in Appendix C. Petitioners listed in Appendix A are ordered to file compliance tariffs, which comply with the requirements outlined in the deficiency letters issued by CACD and subsequent ALJ Rulings issued on November 16, and November 21, 1995. In addition, petitioners must comply with tariff changes ordered in D.95-12-057. Petitioners may not use the compliance filing to make any changes to their tariffs, other than those listed in the deficiency letters issued by CACD, or as ordered in this decision.

The following tariff changes must be incorporated into the compliance filings made by all reseller carriers:

1. Three of the surcharges collected by telecommunications carriers changed effective January 1, 1996. The Universal Lifeline Telephone Service (ULTS) surcharge was increased from 3% to 3.2% of all intrastate services in Resolution T-15799 dated November 21, 1995. The Deaf Equipment Acquisition Fund (DEAF) Surcharge

was increased from 0.13% to 0.236% effective January 1, 1996, in Resolution T-15801 on October 5, 1995. The high cost fund changed also to 0.27% per Resolution T-15826 on December 20, 1995. These changes must be reflected in the compliance tariff filings.

2. CLCs must amend their tariffs to state which of the following incumbent providers they intend to use to administer the deaf and disabled equipment distribution program: Pacific, GTEC, the California Telephone Association (CTA), or Thomson Consulting which performs program functions for CTA.

3. CLCs must concur in the limitation of liability tariffs of either Pacific or GTEC, as they appear in Appendices B and C of D.95-12-057.

Staff's review of tariff corrections filed in response to deficiency letters shows that some deficiencies have not been fully corrected. Appendix C includes a list of specific deficiencies, some generally applicable to all petitioners, others by company, which must be corrected as part of each petitioner's tariff compliance filing on or before February 29, 1996. Approved CLCs are also authorized to amend their tariffs to reflect the wholesale prices and services adopted in today's companion order regarding CLC wholesale rates.

IV. Approval of Resale Tariff Terms and Conditions Other Than Rates

Pacific and GTEC each filed proposed resale tariffs for terms and conditions other than rates on October 2, 1995, as directed by the August 18, 1995, ALJ ruling. The reasonableness of the LEC's proposed wholesale rates was addressed separately through testimony offered in evidentiary hearings. Parties filed comments on the LECs' proposed resale tariffs, nonrate terms and conditions

on October 23 and reply comments on November 27, 1995, in the companion decision before us today addressing wholesale rates, we define the range of services for which competitive resale shall apply and restrictions on CLC resale of LEC services. In this instant decision, we address the remaining issues concerning terms and conditions applicable to the competitive resale of local exchange service. Pacific and GTEC should incorporate the directives in this decision as well as in the companion decision on CLC wholesale rates in making their resale tariff compliance filings.

A. Position of Coalition

The Coalition argues that Pacific and GTEC be required to amend their resale tariffs to provide for certain operational interfaces. The Coalition contends these operational interfaces are required to enable resellers to offer the same service quality as the LECs offer to their own end users and to ensure that service ordering, provisioning and repair intervals are no longer than those which LEC customers experienced. The Coalition claims that the costs of implementing these interfaces will be largely borne by the CLCs themselves who would build to the specifications of the LECs' current ordering, provisioning, and maintenance systems. The Coalition expresses doubt that the necessary operational interfaces are likely to be established through negotiations between CLCs and LECs, and requests that the Commission order the LECs to implement five key operational interfaces to enable resale competition to begin on March 1, 1996.

The Coalition does not believe the proposed five key operational interfaces are essential to the development of resale competition of some form.

The Coalition contends that the following five operational interfaces be specified in Pacific's and GTEC's resale tariffs as follows:³

1. Preservice Ordering:

The Coalition seeks access to LEC systems containing information on customers' current service profiles, service and feature availability, telephone number availability and assignment, and scheduling the installation of services and any necessary equipment.

2. Service Ordering and Provisioning:

This refers to the transmission of data to enable the incumbent LEC to fill the customer's order. The Coalition states that the reseller's service order must be accurately and promptly executed by the LEC so that the reseller can give firm commitment dates for local service to its customers.

3. Access to directory listing and databases:

The Coalition believes that database access is necessary to allow resellers to add, modify, or delete directory listings for customers in the LEC's directory database to insure complete and properly updated customer information.

4. Access to online monitoring systems:

The Coalition believes that CLCs require access to the LECs' on-line systems for monitoring the network, isolating trouble spots, performing network tests, and scheduling repair dispatch to ensure prompt

³ Sprint does not believe the proposed five key operational interfaces are essential to the development of resale competition of some form.

and efficient repair and maintenance comparable to that of the LECs, 5. Daily usage data on a line-specific basis. The Coalition believes that standardized daily usage data is necessary for the reseller's billing and invoicing functions in an accurate manner.

The Coalition advocates that in addition to these operational areas, measurements be established to assess that the quality of performance at all points of interface between the incumbent LEC and the reseller is comparable to the quality of the LECs' retail operations. The Coalition denies that the LECs will need to develop any new systems in order to implement the proposed operational interfaces. The only cost which the LECs would incur, according to the Coalition, is for installation of security systems to protect the confidentiality of customer records.

The Coalition further asks that the following terms and conditions be required in the LECs' resale tariffs:

1. Free DA Calling Allowance: The Coalition seeks a five free DA call allowance per month, as is currently provided to Pacific's end-users.

2. Fraud Adjustments: While Pacific currently investigates customer fraud complaints for its own retail customers, it does not intend to perform these functions on behalf of the CLC. Accordingly, the Coalition believes that the CLC wholesale price should be reduced accordingly.

3. CLC Branding Limitations: The Coalition objects to GTEC's proposed limitation prohibiting a CLC from providing the toll service in contrast to GTEC. Thus a customer's bill would show the CLC as the provider of the service.

branding⁴ GTEC's intraLocal Access Area Transport Area (LATA) toll service. The Coalition argues that any branding by the incumbent LEO of a CLC reseller's services would severely diminish the competitive effectiveness of the reseller's service offering. Time Warner, in contrast, believes that a facilities-based CLC should be encouraged to preserve and promote its own branded service and not be required to allow rebranding.

B. Position of Pacific and GTEC

Pacific objects to providing free DA allowances. Pacific objects to providing database access regarding services and features available in each central office and regarding the service history of particular customers on the basis of technical feasibility and confidentiality concerns.

While Pacific agrees to provide necessary operational interfaces, Pacific objects to including the technical details of the interfaces in its tariff. Pacific argues that tariffs do not normally include such detailed technical information, and that it would be needlessly cumbersome if tariffs had to be modified every time operational interfaces changed. Pacific proposes that the Commission merely set up operational standards and monitor their compliance.

GTEC argues that the Coalition's request regarding the five operational interface areas is unnecessary and inappropriate. GTEC views the Coalition's proposal as providing an enormous competitive advantage to CLCs who would have unfettered ability to scan GTEC databases and records to target good marketing opportunities using confidential GTEC customer information. GTEC

⁴ CLC branding refers to the identifications of the CLC as the provider of the toll service in contrast to GTEC. Thus a customer's bill would show the CLC as the provider of the service.

argues that any information needs of a CLC can be satisfied through an electronic interface process which provides the controls GTEC needs, while satisfying CLC concerns. In its proposed tariff, GTEC proposes that resale service orders be placed utilizing a standard Access Service Request.

C. Discussion

CLCs will need access to various LEC operational support systems in order to engage in viable competition as competitive resellers of local exchange service. We agree with Pacific Bell however, that the detailed exposition of the means by which such systems will be provisioned is not appropriate subject matter for the resale tariffs. We believe the guidelines under which such interfaces should be provided are more efficiently addressed in our adopted interim rules regarding intercompany arrangements as discussed below. We also recognize that certain aspects of the implementation of necessary intercompany arrangements should be examined further in the context of technical workshops, as we will discuss below.

We agree with the Coalition that the free DA call allowance per month should be provided to CLC resellers in the same manner it is provided to LEC end-users. In this manner, CLCs will not be placed at a competitive disadvantage relative to the LECs in the ability to offer end-users DA service. We direct the LECs to revise their resale tariffs accordingly.

Regarding the Coalition proposal for fraud adjustments, we have adopted a reseller discount in today's companion decision in recognition of LEC retailing functions which will be taken over by the CLC. The adopted discount addresses the Coalition's request for a rate discount to compensate for CLCs taking over LEC fraud investigation functions.

Consistent with our policy of generally removing restrictions on the resale of LEC retail services, we decline to adopt GTEC's proposal to restrict CLCs' ability to brand GTEC's

intraLATA toll service. We believe such restriction would unduly impede the development of a competitive market. We direct OTEC to remove this restriction from its resale tariff.

V. Phase II Rulemaking Issues

A. Overview

In the following section, we review parties' comments regarding the proposed rules set forth in our April 26, 1995 Order subject to Phase II of this proceeding and determine the appropriate interim rules to be adopted governing these issues to become effective March 1, 1996. Consistent with our policy adopted in D95-12-056, we favor mutual negotiation among CLCs and LECs as the preferred approach to determining necessary arrangements for competitive local exchange service, and we reflect this preference in the rules adopted below. We also recognize that a number of the disputes raised in parties' comments indicate the need for further examination. Accordingly, where appropriate, we make provision for technical workshops and/or further comments as a basis for subsequent rulemaking. In D95-12-056, we adopted an approach which relied on parties' flexibility to negotiate mutually agreeable terms and conditions of interconnection. We also recognized the parties' concerns, however, that in structured negotiations, one side or the other may be perceived as having too much bargaining power. To promote a fair balance in such negotiations, our adopted rules for interconnection prescribed a set of "preferred outcomes," based on parties' comments about what technical features lead to the most efficient and economic interconnection solutions. We stated that in approving interconnection contracts, the Commission staff would consider how well a contract achieves the "preferred outcomes," but would not reject mutually agreeable contracts which do not contain

preferred outcomes and which are not unduly discriminatory and anticompetitive.

We shall apply a consistent approach with respect to negotiations covering additional intercompany arrangements as covered in the interim rules being adopted in today's order. To the extent the rules call for parties to enter into negotiations for various intercompany arrangements as outlined herein, we will consider how well the agreements meet the preferred outcomes as specified in the rules. Again, we will not reject mutually agreeable contracts, however, which do not contain preferred outcomes but are not unduly discriminatory and anticompetitive. Likewise, in the event parties are unable to reach agreement on intercompany arrangements, we shall authorize them to seek expedited resolution through our Dispute Resolution Procedures as outlined in D.95-12-056.

Our adopted rules governing the issues discussed below are set forth in Appendix D. To facilitate comparison of changes between our proposed April 26, 1995, draft rules with the revised version of the rules which we adopt herein, we have highlighted the text additions and stricken through the text deletions in Appendix D. In the discussion below, the rule numbers refer to the numbering sequence used in the April 26 order.

B. Joint Provisioning of Switched Carrier Access Services

1. Introduction

Meet-point billing arrangements are important to enable CLCs to operate as full service local phone companies, including the ability to originate and terminate long distance calls. To provide this capability, CLCs must have access to the hundreds of long distance providers that offer service in California.

There are two ways in which CLCs can obtain access to IECs: 1) through direct trunk interconnections with all IECs; or 2) through meet-point trunking arrangements with the incumbent LEC. The arrangement by which one carrier accesses IECs through another

carrier's tandem is known as joint provisioning of switched access services, or meet-point arrangements. Our April 26, 1995, proposed Rule 9 for switched carrier access services provided that:

CLCs and LECs shall establish meet-point billing arrangements to enable CLCs to provide switched access services to third parties via LEC access tandems in accordance with the Meet-Point Billing and Provisioning Guidelines adopted by the Ordering and Billing Forum, subject to the following requirements:

A. CLC and LEC shall arrange for CLC to sub-tenant the LEC access tandem which the LEC's own end offices that serve the same NXX Service Area sub-tenant for the provision of Switched Access Services in the event of an emergency arrangement.

B. At CLC's election, the meet-point connection for the tandem sub-tenanting arrangement shall be established at the CLC's NXX rating point, at a collocation facility maintained by the CLC (or the CLC's chosen transport vendor), at the LEC access tandem, or at any point mutually agreed to by CLC and LEC.

C. Common channel signaling shall be utilized in connection with meet-point billing arrangements to the extent available.

D. CLC and LEC shall maintain provisions in their respective Federal and State access tariffs sufficient to reflect this meet-point billing arrangement and meet-point billing percentages.

E. CLC and LEC shall exchange all call detail records associated with switched access traffic provided via the meet-point billing arrangement in a timely fashion, as necessary to accurately and reliably rate and bill third parties for such traffic.

LEC shall produce carrier access bills for the CLCs' meet-point traffic, using the single bill format, unless the LEC has been specifically authorized by the Federal Communications Commission (FCC) to employ the multiple bill method.

2. Parties' Positions
The Coalition states that the only efficient way to provide end-user access to all IECs is to provide CLCs access, under the same meet-point arrangements as the independent IECs enjoy, to the IECs to whom the CLCs are not directly connected. The Coalition objects to a number of changes in this rule as proposed by Pacific and GTEC.

The Coalition objects to reliance on the mutually arranged practices which have historically existed between carriers, since local exchange competition will reflect an environment where no single carrier will have a monopoly. The Coalition recommends that all meet-point arrangements follow the meet-point billing guidelines, including contractual arrangements. The Coalition proposes modification of Rule 9A to be consistent with the process for ordering NXX codes and for designating the tandem which the end office subtends for each NXX. The Coalition objects to giving the IECs the authority to decide where meet-point arrangements should occur. The Coalition believes that CLCs should designate the meet-point interconnection if agreement cannot be reached. The Coalition proposes that two-way trunks be required for provisioning meet-point services. The Coalition proposes that the LEO provide a list of each IEC that connects to it using MF rather than SS7 signalling. The Coalition proposes that the CLC have the flexibility to use either the single bill or multiple bill format for carrier access bills for the CLCs' meet-point traffic.

Pacific objects to the Coalition's proposed Rule 8 regarding billing options, arguing that it is inconsistent with the Multiple Exchange Carrier Access Billing (MECAB) guidelines which the CLCs, in earlier comments, had agreed should be applied to govern the joint provisioning of switched access. The MECAB guidelines are the result of industry negotiations through the Industry and Billing Forum, and provide that the choice of billing

method is subject to negotiation between the parties with the multiple bill as the default option. Pacific opposes the single bill option because it normally places the CLC in the role of billing agent. Pacific prefers not to have a competitor billing Pacific's IEC customers on its behalf.

GTEC recommends that any rule concerning meet-point billing and joint provisioning of access services should support the mutually arranged practices which have historically existed between carriers, and which continue today. GTEC states that many of these practices are derived from the Order and Billing Forum (OBF) which is an industry-wide organization that develops industry guidelines on a consensus basis. GTEC believes that deviation from existing practices will cause unnecessary expenditures and duplication of network facilities. GTEC adds that its recommendation allows parties to work out any specific technical details that are associated with joint provisioning.

Citizens believes that neither the LEC nor the CLC should be allowed to determine the meet-point connection point unilaterally. If the parties cannot agree, then Citizens proposes that they petition the Commission for resolution of the dispute on an expedited basis. Citizens believes all parties should have the option of the multiple bill method.

DRA does not object to the Commission's proposed rule for meet-point billing for switched access services, given the Commission's adoption of the bill-and-keep mechanism for termination compensation during the interim phase of competition.

3. Discussion

We agree that neither LECs nor CLCs should be able to determine meet-point arrangements unilaterally. Accordingly, consistent with our stated preference for negotiated agreements as discussed in D.95-12-056, we shall direct LECs and CLCs to establish reciprocal meet-point billing arrangements through mutual agreement. Parties dispute over the merits of single versus

multiple billing formats should be examined in a technical workshop before we decide on which option should be considered a preferred outcome. We provide a schedule for such workshops in the order to below. We adopt rules for switched access services as set forth in Appendix D, Section 9.

C. Information and Mass Announcement Services

1. Introduction

In our Order of April 26, 1995 we proposed Rule 10 to govern the IECs provisioning of information services. The text of Rule 10 was as follows:

A. Whenever a LEC operates an information services platform (e.g., 976 service) over which information services are delivered to its own end-users located within an area, also served by one or more CLCs, the LEC shall purchase originating access service and billing and collection service from each CLC in the area. Such access, billing and collection service shall be identical to the access, billing and collection services the CLC provides to the IECs for the delivery of calls to the interexchange carriers' 900 information service platforms.

B. To the extent a CLC offers an information service platform over which information service providers may offer information services, the LEC shall offer, and the CLC shall purchase arrangements analogous to those described in (A) above.

C. If a CLC provides access to an information services platform (e.g., 976 services), the CLC must conform to the rules in 47 CFR D.91-03-021 as identified for IECs.

Proposed Rules 10A and B address the provisions for passing 900-type calls between networks originating such calls and networks operating information service platforms. A switched network should be required to establish IAS access to those in place for existing IECs and IECs.

2. Parties' Positions
The Coalition believes that if the LECs offer 976, 900, or similar services, CLCs reselling that LEC's service should be required to offer and implement the same options provided by the incumbent LEC. Similarly, the Coalition expects the LECs to offer reciprocal arrangements for the end-user as relayed by the reseller.

The Coalition expects the LECs to provide timely and accurate billing information to the other carrier to allow for proper billing to the end-use customer. The Coalition proposes an interim billing charge for NXX-based calls of five cents per call. Pacific is agreeable to this suggested charge (Pacific Reply Comments, p. 43).
Pacific states that if two-way trunks, or other facilities that do not pass the caller's automatic number identification (ANI), are used for CLC interconnection, the necessary ANI detail will not be passed to Pacific's 900 central office. Consequently, Pacific will lack the capability of tracking and billing the call to the information provider. In this instance, Pacific requests that a complete call record be provided by the CLC so that Pacific can record the call. Pacific explains that calls to its 900 prefix need to be routed the same as 976, calls over the intra-LATA trunk group. This will entail a minor switch translation by the CLCs.

GTEC states that it does not operate information services platforms, and its role in the provision of information access services (IAS) is limited to providing customer access to the information providers' (IPs) equipment, or "platform," and to providing billing and collection services to IPs through tariffs or contracts. GTEC believes that CLCs wishing to offer their end-users access to IAS and interconnection of IP platforms to the public switched network should be required to establish IAS access tariffs similar to those in place for existing LECs and IECs. GTEC

also believes that CLCs must establish their own billing and collection tariffs or contracts with IPs offering services to the CLC customers. Likewise, GTEC believes that compensation and charges for end-user traffic that passes between the networks of LECs and CLCs and terminates on an IP's platform should be governed by the same rules currently in place for existing LECs and IECs.

DRA recommends no changes to the Commission's proposed rules for information services.

3. Discussion

As set forth in D.95-12-056, we have adopted two-way trunking as a preferred outcome in mutual interconnection agreements. Accordingly, we shall amend Rule 10A to require CLCs who interconnect, other than over one-way trunks, to provide the LEC with a complete call record of all calls originating on the CLCs network, and directed to the LEC's information service platform. We conclude that a technical workshop should be convened to address the future role of the LECs in providing billing and collecting for Information Provider services.

No party objected to Proposed Rules 10B and C and we shall adopt them without change.

D. Additional Intercompany Arrangements

Our April 26, 1995, order included proposed rules governing intercompany arrangements as set forth in Rule 11. In D.95-12-056, we adopted interim rules governing intercompany arrangements with respect to 611 and E-911 service. For purposes of this decision, we shall continue the 611 and E-911 rules in place without further change or expansion. We address below the remaining issues relating to intercompany arrangements, as set forth in the proposed interim rules of April 26, 1995. We focus our discussion on those proposed rules where parties expressed disagreement or suggested changes. For those proposed rules where no disagreement was noted, we shall adopt those rules without change or further discussion. Our adopted rules for intercompany

arrangements are set forth in Appendix D, Section 11. The numerical references below are to the numbered sections in the April 26, 1995 proposed rules. Service Ordering

Introduction Rule 11A contained in Appendix A of the Commission's Order of April 26, 1995, proposed the following requirement pertaining to service ordering and implementation:

A. LECs shall put into place a service ordering and implementation scheduling system for use by the CLCs which is equivalent to that used by the LECs and their affiliates. Data pertaining to service and facility availability shall be made available to CLCs in the same manner as it is provided to the LECs. In addition to the General Order 133(b) requirement to report held orders for end-user service, LECs shall separately report held orders related to orders placed by CLCs.

b. Parties' Positions

The Coalition argues that CLC resellers will have to rely on the ordering systems and processes of the dominant LECs against which they compete. To prevent the LECs from providing inferior service ordering capabilities to the CLCs, the Coalition proposes that the Commission require that LEC installation intervals for resold services and unbundled loops be no longer than those for the LECs' own customers. The Coalition believes that service ordering arrangements should comport with an overall regulatory structure which treats CLCs and LECs as co-carriers, rather than as a customer-server relationship. The Coalition argues that the LECs recover any implementation costs of intercompany arrangements as a general cost of doing business, just as the LECs treat their costs to provide each other the necessary arrangements to ensure interconnection and mutual cooperation in providing services between each others' customers.

Pacific agrees to provide the CLCs with timely and efficient operational interfaces for service and preservice ordering, at least equivalent to what it currently offers to its end-users. Pacific believes that CLC interface needs may differ from those of existing users and that significant costs may be incurred to develop new interfaces. Pacific is developing a PC-based electronic interface product called "OAI Office" which is intended to accommodate CLCs for service order and repair needs. Pacific requests, however, that consumer privacy rights and data integrity of its proprietary operational support systems be protected. Pacific offers to provide CLCs with add and delete capability through a batch data download system, available on a 24-hour basis. Pacific objects, however, to providing real-time on-line direct access to its listing databases, due to concerns over security, accuracy, and confidentiality issues. Pacific objects to the Coalition's proposal that reciprocal intercompany arrangements be handled by interconnecting companies at no charge, under the Coalition's theory that costs for each side would be about the same. Pacific notes that the arrangements between the LEC and other telephone companies reflect a historical arrangement between carriers serving different territories and not competing with one another. Pacific asserts that the lack of compensation from other noncompeting carriers was less of an issue in the past, because other arrangements were in place allowing Pacific to recover its costs. Pacific argues that no such arrangements for cost recovery exist with the CLCs, and thus all costs of intercompany arrangements should be determined and assessed to the company causing the costs. GTEC states that it should not be forced to incur the expense of putting into place a different service order or implementation scheduling system for CLCs. GTEC believes that doing so would provide an unwarranted preference to CLCs over other end-user customers. GTEC further believes that its existing legal

obligation to not discriminate between customers should be sufficient to assure that CLCs receive fair and equal service in the ordering and implementation. GTEC opposes CLCs being allowed access to proprietary service and facility information, or access to the facilities databases which GTEC states are proprietary to the LEC. GTEC states that this information is not currently provided to other carriers, and it should not be provided to CLCs.

GTEC has not yet developed an electronic interface and, in the meantime, proposes to handle preservice ordering through a Firm Order Confirmation (FOC) process (which provides telephone number assignment) scheduling for installation, and other data. GTEC believes its FOC process will also insure that each CLC reseller's service orders are accurately and promptly executed to enable the reseller to give its customers firm commitment dates for local service.

DRA believes that the provisions of service ordering should be reciprocal among all carriers and subject to tariffed rates. DRA also believes that access to data concerning service and facility availability should be provided via a real-time on-line link.

Discussion
We recognize that adequate service ordering interfaces are necessary to enable CLCs to offer a quality of service which is competitive with that of the LECs. We shall not dictate the precise technical specifications of such interfaces but rather shall provide the flexibility for carriers to enter into agreements tailored to their specific needs and consistent with the technical capabilities of the LECs. We prefer agreements which minimize costs to both parties and minimize any other barriers to entry. We shall require, however, that the LECs provide an automated on-line service ordering system for use by the CLCs. We further conclude that additional information is needed to develop appropriate requirements for monthly reporting of service order

provisioning by the LECs. We shall direct CACD to convene a workshop to examine these requirements and to prepare a report. Any interim agreements reached by parties regarding service ordering are subject to any subsequent provisions which we may adopt following the technical workshops. We shall not preclude either the LECs or the CLCs from being compensated for providing necessary service ordering interfaces, and shall direct that compensation be determined by mutual agreement.

2. Billing and Collection

Introduction and collection relationships between providers and Rule 11 of the April 26, 1995 Order proposed the following requirements pertaining to billing and collection agreements to support this relationship with CACD as a condition of their use.

LECs and CLCs shall be required to enter into mutual billing and collection agreements so that each telecommunications service provider can accept another service provider's telephone line number and other non-proprietary calling cards and can bill collect on third party calls to a number served by another provider.

b. Parties' Positions

The Coalition proposes that adopted rules should ensure that signalling and answer/disconnect supervision are provided to allow for proper billing of customer calls. The Coalition calls for the reciprocal sharing of billing data and the identity of which carriers interconnect at each specific tandem in order to facilitate efficient meet-point billing and collection of end-user charges. Regional Bell Operating Companies (RBOCs) and independent telephone companies (ITCs) currently use the "Centralized Message Distribution System" (CMDS) to bill and settle messages between carriers for interLATA calls which are not originated, terminated, and billed within a single LEC's service.

area. The Coalition argues that CLCs should be subject to the CMDS and similar settlement arrangements, consistent with the co-carrier paradigm.

The Coalition wants the LECs to provide CLCs with daily usage data in a standardized industry format, and on a line-specific basis for resold local exchange service. The Coalition further seeks CLC access to the LECs' switch systems, or software utilized to determine local calling areas, so that calls for the same local calling areas can be accurately rated and billed.

Pacific agrees with the Coalition that mutual billing and collection relationships between all local exchange providers in California will facilitate accurate billing of end-users and will be in all providers' best interests. Pacific will be in a position to support this relationship with CLCs as a CMDS host or, if another RBOC is selected as a host, via CMDS to their host of choice. Pacific will utilize industry standard "Exchange Message Records" (EMR) in the same manner as is currently used for independent LECs.

Pacific states that new processes will be required in order to implement the Coalition's proposal that the LECs identify which carriers are interconnected at each specific tandem. Pacific further believes disclosure of such information could be deemed proprietary by the IECs. Pacific proposes that the CLCs request from the IECs whatever information the CLC needs to establish proper billing arrangements.

Pacific objects to the Coalition's request for access to LEC software to determine local calling areas. Pacific believes that its published tariffs provide sufficient disclosure of local calling area prefixes so that CLCs will be able to develop necessary databases.

Pacific proposes to charge CLCs for busy line verification/interrupt (BLV/I) processing at the rate for BLVs currently in Pacific's 175-T tariff. Independent companies and

CLCs would be charged equally for this service when competition starts. Pacific proposes that the CLCs be instructed to submit tariff proposals indicating how such calls are to be sent to them.

GTEC believes that both LECs and CLCs should be required to enter into mutual billing and collection agreements, but recommends that the Commission proposed Rule 11.C be modified to incorporate the concepts of mutuality and reciprocity.

DRA proposes that this rule reflect reciprocity among carriers, subject to tariffed arrangements.

c. Discussion

We agree that CLCs need access to the information contained in various LEC operation and support systems databases such as those used to validate calling cards and that billing and collection arrangements should be reciprocal among all carriers. We conclude that parties comments raise various technical issues concerning the appropriate procedures for billing and collection which can best be addressed through technical workshops. In the meantime, we shall expect parties to negotiate mutually acceptable agreements for billing and collection which enable each service provider to accept another provider's telephone line numbers and other nonproprietary calling cards and to bill collect on third party calls to a number served by another provider.

3. Inclusion of CLC Customers in LEC DA Databases

a. Introduction

Rule 11.D. (1) of the April 26, 1995 Order proposed the following requirement regarding the inclusion of CLC customers in LEC DA databases:

- (1) CLCs shall compensate the LECs for their cost of including the CLCs' customers in the directory assistance database and for any other related maintenance cost of directory assistance database in the provisioning of services for the CLCs.

Parties' Positions
The LECs currently maintain DA databases for their respective service territories. The Coalition supports having a single database which contains all listed phone numbers of LECs and CLCs's subscribers so that all telecommunications users can acquire information from a single and complete source. The Coalition proposes that in exchange for CLCs making their listings available to the LECs, the LECs provide a single standard white pages and yellow pages listing for each CLC customer at no charge to CLCs or their customers.

Pacific believes that all telephone companies within California should be required to license their directory listing information, upon request, to all interested parties at fair and reasonable rates, subject to appropriate terms and conditions to protect consumer privacy. Pacific agrees to accept CLC listing information and include it, without charge to the CLC, in Pacific's DA database and Pacific's white page listing database. Pacific would impose an additional charge for non-basic caption listings or additional listings. Pacific would provide DA service to CLC end-user customers pursuant to Pacific's access tariff (175-T, Section 9). A CLC could provide its own DA service and obtain Pacific's listings through Pacific's Reproduction Rights tariff (Schedule Cal. A. 5.7.4). Pacific Bell Directory (PBD) would include a single line listing in the yellow pages for the CLC's business end-users, also without charge. Additional advertising could be purchased from PBD directly.

Pacific believes the rule should make it clear that the LECs will be able to charge the CLCs for DA services. The Coalition argues that all alternative forms of DA access be provided at TSLRIC to prevent anticompetitive price discrimination. The Coalition believes that LECs should provide access to databases at no charge to CLCs until the LECs have filed, and the Commission has approved, TSLRIC studies of the essential monopoly function of

providing on-line access to DA databases and updates; (10/10/1995 Comments, pg. 8.)

The Commission concurs with the Commission's April 26, 1995 proposed rule regarding directory listings.

Discussion
We conclude that Pacific's proposal for inclusion of CLC customers in LEC DA databases and compensation arrangements is reasonable and should be adopted. Queries to the 411 database shall be charged at the applicable tariff rate, except for standard allowances for customers of resellers. We shall direct the CLCs and LECs to enter into mutually satisfactory agreements governing appropriate compensation for the inclusion of CLC customers in the DA database and for any other related maintenance cost of the DA database in the provisioning of 411 services for the CLCs.

4. Access to LEC Databases

a. Introduction

Rule 11.D.(3) contained in Appendix A of the Commission's Order of April 26, 1995, proposed the following requirement pertaining to CLC access to LEC databases:

(3) CLCs shall be provided access to all LEC service databases, e.g., 800 Line Information Data Base (LIDB), and Advanced Intelligent Network (AIN). CLC access to and use of such databases shall be through signaling interconnection, with functionality and quality equal to that received by LECs and their affiliates at a nondiscriminatory tariffed rate.

In order to offer competitive local exchange service, CLCs must have access to those LEC databases which are essential to the provision of basic local exchange service.

b. Parties' Positions

Pacific operates network databases for two purposes: 800 service number screening and routing, and line information and calling card validation (known as the Line Information Database).

LIDB) Both databases are accessed using the Signalling System Seven (SS7) network by various network switches in Pacific's network. (10/10 Comments, pg. 56) Pacific agrees to offer SS7 network interconnection with all CLCs, as it currently does with other telecommunications service providers. Through this SS7 network, CLCs can send queries to Pacific's network databases in the same manner as Pacific's own end offices do. Pacific proposes to charge tariffed rates currently in effect for other interconnecting carriers with the same functionality, for each 800 call or LIDB query directed to Pacific. The exception would be for 800 calls that are eventually routed to another carrier, in which case Pacific would bill the 800 service provider, not the CLC. To date, no other carrier has requested access to the DA database and for any other related maintenance cost.

GTEC states that LEC 800 and LIDB databases are essentially storage databases for customer information. GTEC is concerned that customer privacy be protected when allowing CLCs access to LEC databases. GTEC is also concerned that unrestricted access to LEC databases could impair network integrity and the security of its databases. Accordingly, GTEC recommends that a CLC should be allowed to obtain only information which pertains to the CLC's customers or information that is necessary for network routing and call management purposes.

The Coalition argues that LECs should be required to provide CLCs with access to necessary databases on the same terms and conditions as they provide access to themselves. The Coalition claims that CLCs will need access to the DA databases either through resale of the information by passing 411 traffic to the

the provision of basic local exchange service.

Pacific operates network databases for 800 numbers. For 800 database queries, Pacific will charge its tariffed rate of \$0.00479 cents per query specified in CPUC 175T, Section 6.8.10. LIDB access is provided at the rate of \$0.02630 per query under FCC Tariff 128T, Section 6.8.9.

LEC, CLC purchase of the actual DA database, or on-line query access of the LEC DA database. The Coalition argues that CLCs must be assured that LECs will route 800 calls for CLCs as part of switched access meet-point billing arrangements, to avoid wasteful or duplicative alternatives. The Coalition believes that any charge for the database query should be levied against the toll carrier, not the CLC. DRA concurs with the Commission's proposed rule.

c. Discussion

We shall adopt during the interim Pacific's proposed revision to Proposed Rule 11.D, (3) that CLCs be provided access to database services rather than to the proprietary databases themselves. We conclude that, for now, access to the services will meet CLCs' needs in servicing their own customers while protecting proprietary concerns of the LECs.

We believe, however, that in a competitive environment all carriers should be on the same terms. We ask parties to consider whether customer databases should be controlled by an independent third party, in the same way that a neutral NPA administrator is to be selected via workshop. We shall accordingly schedule a workshop in Phase III of this proceeding to consider measures to ensure reciprocal access to data consistent with applicable proprietary rights.

5. Access to Signalling Protocols

a. Introduction

Rule 11.E of the Commission's Order of April 26, 1995, proposed the following requirement regarding CLCs' access to LEC signaling networks:

E. LECs shall make available access to all signalling protocols and all elements of signalling protocols used in the routing of local and interexchange traffic, including

signalling protocols used in the query of call processing databases, and shall make available all signalling resources and information necessary for the routing of local and interexchange traffic. LECs shall be prohibited from interfering in the transmission of signalling information between customers and interconnected carriers and may not claim proprietary right to signalling protocols or elements of signalling protocols.

b. Parties' Positions

Pacific proposes to modify the rule to reflect that all signalling protocols and elements used to route local and interexchange traffic should be identical to the protocols used by others, in accordance with current industry-standard network interface requirements.

GTEC supports allowing CLCs access to the SS7 network. GTEC believes that the best way to accomplish this is through interconnection via mediated access at the signal transfer points (STP) which GTEC states would allow all providers to self-provision the service switching point (SSP) and the associated signalling link between the SSP and the STP. GTEC believes that mediated access will protect the integrity of the SS7 network and also protect confidential customer information.

c. Discussion

We shall make this rule reciprocal for both LECs and CLCs and shall direct that all such signalling protocols be provided in a manner equivalent to the LECs' provision to themselves and other LECs.

6. Operator Services (Rule 11.F)

Pacific states that operator assistance services are competitive and, as such, any rule requiring one carrier to provide such service to other carriers is unnecessary. Pacific proposes

deletion of the last sentence of the rule and certain other modifications.

We agree that LECs should not be singled out for providing interoperability of operator services, but that it should be the reciprocal responsibility of all local carriers to assure that such services are mutually provided. The interoperability of operator services between networks is essential for seamless local exchange service among carriers to succeed. We shall, therefore, direct both LECs and CLCs to arrange such interoperability by mutual agreement.

7. Customer Proprietary Network and Subscriber List Information

a. Introduction

Rule 11(G) of the April 26, 1995 Order proposed:

LECs and CLCs shall develop mutually agreeable and reciprocal arrangements for the protection of their respective customer proprietary network information.

Rule 11.H of the April 26, 1995 Order, proposed the following requirement regarding the inclusion of CLC customer listings in LEC telephone directories:

With respect to the publishing of telephone directories, the following provisions shall apply to LECs:

- (i) LECs shall provide nondiscriminatory access (i.e., access on the same terms and conditions and price available to the competitive businesses of the LECs or their affiliates) to LEC

6 The term Customer Proprietary Network Information (CPNI) is the term used to refer to the Federal Communications Commission's (FCC) requirements and specific procedures governing the treatment of customer information by the RBOCs designed for the protection of competing enhanced service providers to

subscriber information associated with publishing and telephone directories, subject to the requirements of PU Code Sections 2891 and 2891.1.

(2) LECs shall include CLCs' customers' telephone numbers in their "White Pages" and directory listings associated with the areas in which the CLC provides local exchange telecommunications services to its customers, except for CLC customers who desire not to have their telephone numbers appear in such listings and databases, at no charge to the CLC or its customer.

(3) For any listing beyond a basic listing in the "White Pages," CLC customers must pay nondiscriminatory rates established by the LEC or its affiliates.

(4) Each CLC shall provide the LEC with its directory listings and updates to those listings in a format required by the LEC, which CLC by the LEC on a magnetic or computer disc.

(5) CLC customers shall have the right to be listed and purchase advertising in the LEC's "Yellow Pages" under the same terms and conditions as the LEC's customers.

(6) LECs shall distribute the local "White" and "Yellow Pages" directories to all CLC customers in a given service area at no charge.

(7) LECs shall include in the section of the "White Pages" that precedes customer listings,

information concerning each CLC on the same basis that it includes the information for itself or its LEC affiliates offering local exchange telecommunications services in the geographic area covered by the relevant "White Pages" at the rates established in D.94-09-065.

b. Parties' Positions

Pacific proposes that rule 11.H(1) be deleted and replaced with a rule that places reciprocal obligations for the release of information on any local carrier. Pacific argues that the Commission's proposed rule would restrict CLCs to using LEC DA services, rather than a competitive alternative, if they so choose. Pacific believes the DA market is competitive today.

Pacific objects to the requirement that LECs provide subscriber list access on the same terms and conditions and price available to competitive businesses of the LECs or their affiliates." Pacific finds such terms competitively harmful and unnecessary for competition in this area.

Pacific argues that the information essential to competitive directory providers should be identified, while allowing the LECs to provide it in the most efficient manner possible. Pacific believes it would disrupt existing LEC computer systems and directories if listings currently unavailable to non-LEC publishers on privacy grounds were also withheld from the LECs. Pacific's proposed language has been agreed to by the Yellow Pages Publishers Association and the ADP for inclusion in any federal legislation.

Pacific also proposes amending its Reproduction Rights tariff to provide daily business listing activity, in addition to the monthly activity currently provided.

Amendment rights preclude any governmental agency from compelling PBD to deal with anyone respecting the acceptance of advertising

Expand record layout to include Classified List Heading as obtained by Pacific.
Expand the Record to include additional information that will further aid publishers in publication of their directories (e.g., indicators for capitalization, listing codes to identify main listings from additional listings).

Expand the allowable uses of listings to include directories, in any form, (CDROM, Electronic) rather than limiting the use to printed directories.

Restructure and reduce current prices.

In addition, Pacific proposes to include using subscriber list information for voice DA applications. Pacific

believes this approach promotes telecommunications competition without injuring any subscriber's privacy rights. Pacific proposes changing the Reproduction Rights tariff and DA from a Category I to a Category II service.

Pacific notes that its proposed enhancements to the Reproduction Rights product line will not provide everything which ADP requested, but that current laws and regulations restricting the release of proprietary and confidential customer information prevent them from satisfying ADP's request for billing name and address and unpublished information for directory delivery. Pacific states that providing nonpublished information to non-LECs publishers, for delivery or for any other purpose, would violate Code Section 2891 and be inconsistent with the Commission's decision in the Donnelly case (D.91-01-016).

Pacific offers clarification of the language in Rule 11.H(4) to indicate its preference to receive listing data electronically. Pacific notes that we do not have regulatory jurisdiction over its Directory subsidiary, and that PBD's First Amendment rights preclude any governmental agency from compelling PBD to deal with anyone respecting the acceptance of advertising

unless a violation of antitrust or antidiscrimination laws is involved.

Pacific views Rule 11.H(7) as 'ambiguous' and 'object' to an interpretation that would permit CLCs to purchase space in one or several directories published by Pacific because of the additional cost involved. Pacific proposes that CLCs only be permitted to purchase space in all of the directory listing areas served by the individual CLC at the rates established in the Implementation Rate Design decision and currently tariffed in Pacific's state access tariff.

Pacific objects to the proposal in GTEC's May 24, 1995, comments that intercompany arrangements like 4119 service should not be handled by rule or mandate, but by mutually acceptable agreement between parties, which can best be tailored to meet the needs of the service provider. Pacific believes there is no justification for "free" sharing of listings between competitive DA providers as we move into an increasingly competitive marketplace.

The August 18, 1995 ruling permitted parties to address the issue of consumer privacy rights in LEC databases (Pacific comments, pgs 7-11, 10/23).

GTEC states that the Commission is precluded by PU Code Section 728.2 from regulating LECs' yellow pages, and recommends that there should be no reference to "yellow pages" in the Commission's adopted rules. GTEC states that it is willing to include CLC customer listings in its directories. GTEC states that it will also distribute the directories, but intends to pass on to the CLC all costs incurred for secondary distribution to the CLC's customers, even though provided free of charge to the LEC's end-users, since GTEC is charged by the directory company for all secondary distribution.

listings be low enough so as to make the licensing of these listings profitable to provide DA services. Presently, listing

GTEC believes that it has proprietary rights in its directories, the underlying directory databases, and the listings provided to the LEC for inclusion in the directories.

ADP contends that unfair/discriminatory treatment in the provision of subscriber listing information by LECs can, and does, occur in the (a) timely delivery of the information (b) its bundling with unnecessary and unneeded information, (c) its pricing, and (d) its incomplete content vis a vis those same elements as they are accorded LEC affiliates.

ADP believes the provision of this basic directory listing data should be at cost, as the Commission's proposed Rule 11 indicates, and that cost should be the mere incremental cost of reproducing the data for competitors of the LEC affiliates, since the LECs collect this data as a matter of course in the provision of local exchange service. ADP believes that CLC directory listings should be provided to Pacific for inclusion on a gratis basis in Pacific data bases, so long as those same listings are then made available on the exact same gratis, timely, nondiscriminatory basis to independent directory publishers by Pacific. In other words, ADP believes the independent directory publishers should be treated precisely the same as all of Pacific's affiliates in the receipt and use of the information.

On the issue of delivery of directories with CLC information contained therein, ADP believes that the LECs must make a timely list of addresses of all published and nonpublished CLC and LEC customer business and residential numbers, including newly connected customers. ADP's review of California law does not indicate that any privacy law impedes the provision of the nonpublished information, so long as it is not associated with a customer name, nor is it charged by the directory publisher.

Metromail's concern is that the compensation for LEC listings be low enough so as to make the licensing of these listings profitable to provide DA services. Presently, listing

information is a "no charge" item to the incumbent LEC. Their costs in providing DA services are dictated merely by the cost of capital for the DA platform and infrastructure, and the cost of labor for handling the DA calls. While Metromail believes that their client base is able to compete on these two cost components, excessive costs for listing information could substantially alter the ability of both Metromail, other LECs, or third parties to compete in this market.

In general, the Coalition believes that LECs should treat any customer information provided to them which is designated by a CLC as confidential in a manner which prohibits and protects against the disclosure of such information to any LEC personnel or organization which can use the information for LEC or other marketing-related activities. While the Coalition desires to engage in further discussion and negotiations with Pacific and GTEC before committing to existing FCC Open Network Architecture (ONA) CPNI procedures as adequate to protect CLCs in a competitive environment, the Coalition is willing to consider those CPNI procedures as a starting point for discussions. The Coalition proposes that LECs and CLCs attempt to negotiate terms for LEC protection of CLC CPNI and report their agreement or the need for Commission resolution of any disputes. The Coalition argues that Commission rules governing access to competitively sensitive customer information be designed to equalize the competitive positions of LECs and CLCs.

The Coalition further proposes that LECs provide on an equal and nondiscriminatory basis any and all customer-specific information they provide internally for their own marketing purposes. If the Commission is concerned with customer privacy, the solution proposed by the Coalition is for the Commission to establish rules which restrict the LECs' use of customer-specific information for marketing purposes. The Coalition proposes equal and reciprocal access to customer-specific information for use in

marketing telecommunications services as the rule to be applicable to CLCs and LECs.

Pacific notes that issues concerning consumer privacy rights are the subject of an open Commission proceeding, I.90-01-033. Pacific believes that consumer surveys, public witness hearings, and other empirical work are needed to give the Commission the necessary insight into the privacy expectations of customers.

Discussion
We shall adopt proposed Rule 11(G) as an interim measure which relies on mutual negotiation among service providers for resolving the treatment of customer proprietary information. We recognize that there are a number of complex issues relating to customer privacy rights, as well as the respective rights of LEC competitors to obtain access to each others' commercially sensitive data. We shall be examining the need for formulating more detailed rules in this area as part of Phase III of the proceeding.

We shall adopt Pacific's proposed revision to Rule 11.H(1) since it is consistent with our theme of creating reciprocal rights and obligations among LECs and CLCs. We shall not require that proprietary or confidential customer information be provided to third parties, the disclosure of which would lead to a violation of Commission Rules 34 and 35 and PU Code Sections 2891 and 2891.1.

We find that Pacific's proposed revisions to its of Reproduction Rights Tariff are reasonable and should be adopted.

We will leave it to the LECs and CLCs to negotiate mutually agreeable arrangements for the distribution of White and Yellow Page directories to all CLC customers in a given service territory. We shall consider in Phase III the need for either workshops, further comments, or evidentiary hearings on the issues of CLCs' rights to be included in LECs' directory listings and the appropriate compensation for CLC access to directory listings.

an interim basis, CLCs shall be charged the rates established in D.94-09-065. We shall allow the CLCs discretion to determine in which LEC directories they wish to be listed.

8. Nondiscriminatory Access to Rights of Way

Rule 12 of the Commission's Order of April 26, 1995, proposed the following requirement regarding the access to LEC rights of way by CLCs:

CLCs shall allow nondiscriminatory access by CLCs to essential facility, rights of way, conduits, pole attachments, and building entrance facilities.

The Coalition proposes that rules be adopted providing CLCs with nondiscriminatory access to all LEC rights of way, conduits, pole attachments, and building entrance facilities. The Coalition cites Section 767 and Section 7901 as authorizing the use of LEC facilities by other telecommunications providers. To ensure meaningful competition, the Coalition argues that the adopted rules must ensure that the LECs are not able to create unnecessary or unreasonable barriers or impose excessive charges for access to LEC facilities.

The Coalition proposes rules governing the assessment of charges and allocation of costs for access to LEC facilities, prohibitions of unnecessary or excessive "make-ready" charges, prompt LEC processing of CLC applications for access to LEC facilities, and liability and indemnification for losses arising out of the use of LEC facilities.

MFS objects to Pacific's proposed limitation on access to rights of way to only those instances "where space is available." MFS believes such a clause would serve to enable the LEC to deny access as a matter of its own discretion.

Pacific agrees that access to LEC rights of way, conduit, poles and building entrance facilities is beneficial to competition. Pacific agrees to continue providing access to surplus capacity to parties who request it. Pacific argues that

the Coalition's proposed rules are not reciprocal, although PU Code Section 767 provides for access by any utility to the outside plant facilities of another utility. Pacific believes that its current conduit and pole attachment programs will be sufficient to handle the needs of entering CLCs. Pacific proposes that the Commission should wait and see how this issue is handled by pending federal legislation in HR 1555. Pacific believes that this topic should be subject to industry negotiation. Once the federal legislation is clear, Pacific proposes that the Commission initiate workshops to negotiate nondiscriminatory reciprocal access to rights of way of all utilities in the state.

GTEC believes that access should be reciprocal, with CLCs required to provide the same access to LECs as LECs are required to provide to CLCs. GTEC states that failure to provide reciprocal access would be discriminatory and violate the principle of reciprocity embodied in PU Code Section 709.5(e). GTEC also believes that any rule governing access to rights-of-way or structural space must provide for compensation for use of the right-of-way or structural space. GTEC states such compensation was contemplated by the Legislature when they enacted PU Code Section 767.7(b). GTEC believes that any rule governing access to rights-of-way must recognize that many of the rights of way were privately negotiated and cannot be freely transferred or divided without the underlying owner's consent. GTEC recommends that rather than tampering with existing private rights-of-way and easements, the CLCs should be required to enter into their own agreements. Finally, GTEC believes that access to rights-of-ways can best be accomplished through mutual agreement rather than rules and mandates.

Citizens agrees with the Commission's proposed rule, but believes the rule should be extended to be reciprocal and impose the same requirements on CLCs as are imposed on LECs.

Pacific agrees to continue providing access to surplus capacity to parties who request it. Pacific agrees that

DRA states that all competitors should have an equal opportunity to obtain reciprocal access to each others' facilities under similar terms and conditions. DRA accordingly recommends that access to rights-of-way be offered at rates, charges, rules and conditions set forth in filed Commission tariffs. DRA proposes that any complaints regarding rights-of-way and related access issues be resolved on an expedited basis.

GTEC objects to DRA's proposal to require both LECs and CLCs to post tariffs governing the rates and charges for access to essential facility, rights-of-way, as impractical and unnecessary. GTEC argues that considerable flexibility is needed to manage access to rights-of-way on a case-by-case basis. GTEC advocates that the parties should negotiate appropriate contracts for access to rights-of-way, subject to parties' rights to file complaints with the Commission for recourse if the owner of the rights-of-way is thought to have acted unreasonably or unlawfully.

Discussion

We recognize that access by both LECs and CLCs to essential facilities, rights-of-way, conduits, poles, and building entrance facilities, are important for the development of a truly competitive marketplace. Parties' comments raise a number of complex legal issues which cannot be readily resolved through detailed rules covering every situation that may arise. Accordingly, we shall direct the parties to negotiate any necessary rights-of-way access through contracts. We shall consider at a later time the need to further define parties' rights to access through a combination of workshops or legal pleadings, as appropriate. In the event that parties cannot reach agreement on rights-of-way issues, we shall direct them to file complaints before us for prompt resolution.

competitive bundled resale of local exchange service within the service territories of Pacific and GTEC. IS. Pacific and GTEC filed proposed tariffs for bundled resale on October 5, 1995, subject to parties' review and comment.

Findings of Fact

1. D.95-07-054 authorized CLC candidates to file petitions for authority to offer competitive local exchange service within the service territories of Pacific and GTEC.

2. Those CLCs listed in Appendix A filed petitions as authorized under D.95-07-054 on or before September 1, 1995, and possess the fitness and financial responsibility necessary to provide competitive local exchange service on a resale basis.

3. No protests to the petitions have been filed with the exception of Communications Telesystems International.

4. A hearing is not required (except possibly for CTS).

5. Petitioners in Appendix A have a minimum of \$25,000 of cash equivalent, reasonably liquid and readily available to meet their start-up expenses.

6. CLC resellers will not directly own any of the facilities used in the provision of local service.

7. D.94-12-053 formally adopted a procedural plan to implement the Commission's stated goal of opening all telecommunications markets to competition by January 1, 1997.

8. R.95-04-043/I.95-04-044 was instituted to develop rules for competitive local exchange service.

9. D.95-07-054 adopted initial rules in certain limited areas sufficient to enable prospective CLCs to file petitions for authority by January 1, 1996, to enter the local exchange market.

10. D.95-12-056 adopted additional rules regarding interconnection and related service features to facilitate the entry of facilities-based CLCs into the local market January 1, 1996.

11. The initial rules for local competition adopted in D.95-07-054 set March 1, 1996, as the implementation date for the competitive bundled resale of local exchange service within the service territories of Pacific and GTEC.

12. Pacific and GTEC filed proposed tariffs for bundled resale on October 2, 1995, subject to parties' review and comment.

13. Meet-point arrangements are important to enable CLCs to operate as full service local phone companies, including the ability to originate and terminate long distance calls, of which

14. Where two-way trunks are used for CLC interconnection, the necessary automatic number identification detail will not be passed to Pacific's 900 central office and Pacific will need a complete call record from the CLC to allow proper recording of the call.

15. Technically adequate service ordering interfaces are necessary to enable CLCs to offer a quality of service competitive with that of the LECs.

16. LECs and CLCs require mutual billing and collection agreements, so that providers can accept each other's telephone line number and other nonproprietary calling cards and can bill collect or third-party calls.

17. Pacific and GTEC currently offer DA service to IECs under tariff.

18. DA service is a competitive service with LECs, long distance carriers, and third parties currently offering competing services.

19. CLCs and LECs that do not provide DA service can purchase the service from a LEC, another carrier, or a third party.

20. The subscriber listing information in the databases of providers of DA service has economic value.

21. Pacific has agreed to expand its Reproduction Rights tariff to include use of subscriber listing information for DA applications.

22. LIDB and 800 database services are currently offered by the LECs.

23. CLCs and LECs have access to LIDB and 800 database services through self-provisioning, arrangements with IECs, third-party vendors, and LEC interstate tariffs.

24. Pacific will tariff LIDB and 800 database services.

25. Access to LIDB and 800 database services is a competitive service.

7. The petitions of CLCs who do not currently meet the approval criteria for a CPCN should be converted to applications for further review.

8. The limitation of liability provisions in petitioners' tariffs should be replaced with the limitation of liability language from Pacific's or GTEC's limitation of liability tariffs as shown in Appendices B and C of D.95-12-057.

9. All tariff corrections described in Section II(H) above and Appendix C should be incorporated into petitioners' compliance tariff filings.

10. Any CLC which does not comply with our rules for local exchange competition adopted herein or in further proceedings, shall be subject to sanctions including, but not limited to, revocation of its CLC certificate.

11. Pacific and GTEC should revise their CLC resale tariffs to provide for a free DA calling allowance consistent with the allowance provided to LEC end-users.

12. GTEC should revise its CLC resale tariff to remove CLC branding restrictions.

13. The interim rules set forth in Appendix D conform to Commission goals for the promotion of local exchange competition and should be adopted.

14. LECs and CLCs should establish reciprocal meet-point billing and compensation arrangements through mutual agreement.

15. The merits of single versus multiple billing formats for switched access should be examined in a technical workshop.

16. CLCs who interconnect over other than a one-way trunk should provide the LEC with a complete calls record of all calls originating on the CLC's network and directed to the LEC's information service platform.

17. LECs should provide an online automated ordering system's interface for use by the CLCs to enable CLCs to offer services quality competitive with that of the LECs.

18. If a CLC provides access to an information services platform, the CLC must conform to the rules in D.95-03-021, as identified for IECs.

19. LECs and CLCs should negotiate mutual agreements for intercompany arrangements consistent with the adopted rules set forth in Appendix D, Section 11.

20. LECs should report monthly to CACD on held orders related to orders placed by CLCs.

21. Billing and collection on third-party calls to a number served by another provider should be arranged by mutual agreement pending further Commission action following technical workshops.

22. All signalling protocols and related elements used in the routing of local and interexchange traffic should make available all signalling resources and information necessary for the routing of local and interexchange traffic.

23. Carriers that resell DA service should provide their subscriber information at no charge to the incumbent LEC, so that DA service offers a complete listing of all appropriate customers.

24. LECs that provide DA service should include other LEC and CLC customers in their DA database that serves the same geography at no charge to other LECs or CLCs, if the listings are provided at no charge.

25. It is reasonable that LECs and CLCs that resell DA service should also agree that LEC and CLC DA service providers can keep all revenues from the use of the unified database containing their subscriber information.

26. Setting prices competitively for DA listing information is appropriate for LEC and CLC providers.

27. LEC and potential CLC providers that offer subscriber listing information to other providers should make the information available to all DA providers under the same terms and conditions.

28. Requiring LECs to provide directory publishers with access to LEC subscriber information on the same terms and

conditions, and prices as provided to LEC affiliates is inconsistent with D.91-01-016 (the Donnelly complaint case).

29. Access to the LEC's subscriber information database and provision of subscriber listings by the LEC is not an essential service.

30. LECs and CLCs should mutually negotiate access to, and charges for, rights-of-way, conduits, pole attachments, and building entrance facilities on a nondiscriminatory basis.

31. Because of the public interest in competitive local exchange service, the following order should be effective immediately.

O.R.D.E.R
IT IS ORDERED that:

1. A certificate of public convenience, and necessity is granted to each of the petitioners listed in Appendix A to operate as Competitive Local Carriers with authority to resell local exchange service within the service territories of Pacific Bell and GTE California, as described in each company's petition, subject to the conditions outlined below, the interim rules established in this proceeding.

2. Each petitioner shall file a written acceptance of the certificate granted in this proceeding on or before February 29, 1996, for an effective date of March 1, 1996. Petitioners filing a written acceptance after February 29, 1996, shall have their certificates effective five business days thereafter.

3. Petitioners are authorized to file with this Commission on or before February 29, 1996, tariff schedules for the provision of resale of local exchange service. Petitioners may not offer the service specified in Appendix A until March 1, 1996. Any petitioner which files its tariff schedules after February 29, 1996, will have its tariffs become effective five days after

filing. Petitioners' tariff filings shall be made in accordance with General Order (GO) 96-A, excluding sections IV, V and VI and will not include any changes from its original draft tariffs included with its petition, except as amended by the corrections to its deficiency letter, or as amended by this decision.

4. CACD shall have until March 15, 1996 to review the tariffs filed by February 29, 1996 (with a day-for-day extension for tariffs filed thereafter) and to notify the competitive local exchange carriers (CLCs) of any deficiencies in their filings.

5. Petitioners listed in Appendix A are CLCs. The effectiveness of their future tariffs is subject to the schedules set forth in Appendix A, Section 4.E of D.95-07-054:

"E. CLCs shall be subject to the following tariff and contract filing, revision and service pricing standards [Contracts shall be subject to GO 96-A rules for NDIECs, except those for interconnection]:

(1) Uniform rate reductions for existing tariff services shall become effective on five (5) working days' notice to the Commission. Customer notification is not required for rate decreases.

(2) Uniform major rate increases for existing tariff services shall become effective on thirty (30) days' notice to the Commission, and shall require bill inserts or a message on the bill itself, or first class mail notice to customers at least 30 days in advance of the pending rate increases.

(3) Uniform minor rate increases, shall become effective on less than five (5) working days' notice.

to the Commission. Customer notification is not required for such minor rate increases.

"(4) Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice to the Commission.

"(5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate or charge shall become effective on not less than five (5) days' notice to the Commission."

6. Petitioners in Appendix A may deviate from the following provisions of GO 96-A: (a) paragraph II.C.(1)(b), which requires consecutive sheet numbering and prohibits the reuse of sheet numbers, and (b) paragraph II.C.(4), which requires that "a single separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of the Commission Advisory and Compliance Division's (CACD), Telecommunications Branch. Tariff filings shall reflect all fees and surcharges to which applicant is subject, as reflected in Conclusion of Law 5.

7. Petitioners in Appendix A shall file a service area map as part of their initial tariff, after the effective date of this order and consistent with Ordering Paragraph 3.

8. Petitioners in Appendix A shall notify this Commission in writing of the date local exchange service is first rendered to the public within 5 days after service begins.

9. Petitioners in Appendix A shall keep their books and records in accordance with the Uniform System of Accounts specified in Title 47, Code of Federal Regulations, Part 32.

10. In the event the books and records of any petitioner are required for inspection by the Commission or its staff, petitioner shall either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to applicant's office.

11. Petitioners shall each file an annual report, in compliance with GO 104-A, on a calendar-year basis using the information request form developed by the CACD Auditing and Compliance Branch and contained in Appendix B.

12. Petitioners shall ensure that their employees comply with the provisions of Public Utilities Code (PU) Code § 2889.5 regarding solicitation of customers.

13. The certificates granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

14. The corporate identification numbers assigned to each petitioner are included on Appendix A and shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

15. Within 60 days of the effective date of this order, each petitioner shown on Appendix A shall comply with PU Code § 708, Employee Identification Cards, and notify the Chief of CACD's Telecommunications Branch in writing of its compliance.

16. If any petitioner is 90 days or more late in filing an annual report, or in remitting the fees listed in Conclusion of Law 5, CACD shall prepare for Commission consideration a resolution that revokes the petitioner's certificate of public convenience and necessity, unless the petitioner has received the written permission of CACD to file or remit late.

17. The limitation of liability provisions in petitioners' tariffs shall be replaced with the limitation of liability language in Title 47, Code of Federal Regulations, Part 32.

from Pacific's or GTEC's limitation of liability tariffs as shown in Appendices B and C of D.95-12-057.

18. Reseller CLCs are exempted from the provisions of PU Code Sections 816-830.

19. Certificated CLCs as authorized under this decision shall be subject to the rights and obligations of wholesale service with Pacific or GTEC as prescribed in the interim rules adopted in the companion decision being issued today in this docket.

20. CLCs shall comply with the Federal Communications Commission's Reconsideration Order on passing Calling Party Number.

21. The petitions of the CLCs listed in Appendix A are granted, under the terms and conditions as set forth above.

22. The petition of Communications Telesystems International (CTS) shall be converted to an application and shall not be acted upon until the Commission's Safety and Enforcement Division completes a full investigation of CTS' marketing practices.

23. The petitions of Caribbean Telephone and Telegraph, Allegro Communications, and Working Assets Funding Service shall be converted to applications and processed in the normal course of Commission business.

24. The interim rules set forth in Appendix D are adopted effective March 1, 1996.

25. The Commission Advisory and Compliance Division is directed to convene a series of technical workshops under a schedule to be noticed during the month of March 1996 addressing at a minimum the following topics and others as relevant:

- a. Requirements for monthly reporting of CLC service ordering provisioning by the LECs and for the service order process.
- b. Billing and collection procedures for jointly provisioned switched access services and for Information Provider services.

Issues relating to inclusion of CLCs in LECs' directory listings, and compensation for CLC access to directory listings.

d. Provisions for an independent customer information clearinghouse through which all telecommunications service providers access to customer data bases.

Issues relating to reciprocal carrier access to rights-of-way to essential facilities.

This order is effective today.

Dated February 23, 1996, at San Francisco, California.

The Commission's Regulatory Director, on passing, hereby certifies that the Commission's order is effective today.

DANIEL W. FESSLER, President

P. GREGORY CONLON, JESSIE J. KNIGHTS JR., HENRY M. DUQUE, JOSIAH L. NEEPER

Commissioners

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Requirements for monthly reporting of CLC service ordering provisions by the LECs and for the service order process.

Billing and collection procedures for jointly provisioned switched access services and for information provider services.

Appendix A
CLC Petitions Meeting Eligibility Requirements
For Resale of Local Exchange Service

Company	Petition No.	User Fee No.	Current	New
1 ADNET Telemanagement, Inc.	9	U-5310-C		
2 AddTel Communications, Inc.	17	U-5309-C		
3 Advantage Communications Group, Inc.	15	U-5317-C		
4 AT&T Communications of California, Inc.	38	U-5002-C		
5 AWM Messaging Corporation dba Priority 1+ Long Distance	21	U-5323-C		
6 Bakersfield Cellular Telephone Company	40	U-3017-C		
7 Bittell Telecommunications, Inc.	10	U-5146-C		
8 Brooks Fiber Communications of Bakersfield	24	U-5544-C		
9 Brooks Fiber Communications of Fresno	25	U-5545-C		
10 Brooks Fiber Communications of Sacramento	21	U-5419-C		
11 Brooks Fiber Communications of San José	2	U-5420-C		
12 Brooks Fiber Communications of Stockton	27	U-5546-C		
13 Business Discount Plan dba L.D. Long Distance Plan	63	U-5364-C		
14 Cable & Wireless, Inc.	26	U-5056-C		
15 CalTech International Telecom Corp.	26	U-5493-C		
16 Cellular 2000	58	U-3037-C		
17 Century Telecommunications, Inc.	31	U-5548-C		
18 Continental Telecommunications of California	54	U-5549-C		
19 Dial & Save of California, Inc.	60	U-5526-C		
20 Electric Lightwave, Inc.	23	U-5377-C		
21 Extelcom, Inc. dba Express Tel	8	U-5047-C		
22 Fiber Data Systems, Inc.	46	U-5166-C		
23 Fibernet, Inc.	13	U-5290-C		
24 Genesis Communications International, Inc.	19	U-5477-C		
25 GST Lightwave, Inc.	36	U-5469-C		
26 GST Pacific Lightwave, Inc.	37	U-5371-C		
27 GTE California, Inc.	50	U-1002-C		
28 GTE Card Services, Inc.	51	U-5494-C		
29 GTE Mobilnet of California, Inc.	48	U-4028-C		
30 ICG Access Services, Inc.	20	U-5406-C		
31 Info-Tech Communications	3	U-5551-C		
32 LCI International Telecom Corporation	39	U-5270-C		
33 L.D. Services, Inc.	53	U-5297-C		
34 Linkatel Pacific, L.P.	35	U-5307-C		
35 Long Distance Charges, Inc.	64	U-5561-C		

(A XIXNEB 40 ENB)

Company	Petition No.	Current User Fee No.	New User Fee No.
36 Mammoth Cellular Corp.	43	U-3025-C	
37 MCI Metro Access Transmission Services, Inc.	32	U-5253-C	
38 MFS InteleNet of California, Inc.	5	U-5397-C	
39 Napa Valley Telecom dba AmeriTel	47	U-5044-C	
40 National Comtel Network, Inc	16	U-5341-C	
41 Newtelco dba The Sprint Telecommunications Venture	18	U-5552-C	
42 Nextlink of California, L.L.C.	28	U-5553-C	
43 NucomNet	34	U-5583-C	
44 Pacific Bell	30	U-1001-C	
45 Pac-West Telecom, Inc.	7	U-5266-C	
46 Preferred Long Distance, Inc	6	U-5502-C	
47 SLO Cellular, Inc.	41	U-3044-C	
48 TCG Los Angeles	55	U-5462-C	
49 TCG San Diego	56	U-5389-C	
50 TCG San Francisco	57	U-5454-C	
51 Tele-matic Corp.	65	U-5484-C	
52 The Associated Group dba Associated Communications of Los Angeles	45	U-5554-C	
53 The Telephone Connection of Los Angeles	44	U-5522-C	
54 Unitel Communications	42	U-5558-C	
55 Universal Pacific Communications, Inc	14	U-5250-C	
56 U.S. Long Distance, Inc	61	U-5485-C	
57 U.S. Voice Telemanagement, Inc	11	U-5431-C	
58 Winstar Wireless of California, Inc.	59	U-5556-C	
59 WorldCom Inc. (formerly LDDS Communications) dba LDDS Worldcom	12	U-5378-C	

(END OF APPENDIX A)

APPENDIX B
Page 1

TO: ALL COMPETITIVE LOCAL CARRIERS

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for the California's competitive local carriers. However, you are hereby directed to submit an original and two copies of the information requested on the following page no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:
California Public Utilities Commission
Auditing and Compliance Branch Room 3251
505 Van Ness Avenue
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter, please call (415) 703-1961.

7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

APPENDIX B
Page 2

Information Requested of Competitive Local Carriers
(9501)

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U.S. # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).
If incorporated specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

(END OF APPENDIX B)

**APPENDIX O Business Disclosures
Outstanding CLC Deficiencies of Petitioners**

to avoid any confusion, each petition should include a detailed description and limitations of
GENERAL ISSUES THAT ALL PETITIONERS MUST CORRECT:

The California Public Utilities Commission's addresses must be complete. If
They must show branch and room number.

COMPANIES: In the "Disputed Bill" section of the CLC tariff, customers are to
incorrectly or when complaints may be filed. P.U. Code Section 732 allows
ADNET, Telemangement, Inc.; AddTel, Communications, Inc.; a customer
Fibernet, Inc., Genesis Communications International, Inc., National
Comtel Network, Inc., Preferred Long Distance, Inc.

If a CLC charges for non-published service, the specific charge must be
The section reserved for Switched Access must be properly indexed.

Liability of CLC rate is not correctly contained in tariffs. Rate should be
Bakersfield Cellular Telephone Company, Cellular 2000, Mammoth
Cellular Corporation, SLO Cellular, Inc., The Telephone Connection of
Los Angeles, and Napa Valley Telcom Services dba Ameritel, Unitel
Communications, Inc.

"Notice by Customer" rules must be modified to allow a customer to provide
notice to the utility via the telephone. CLC tariffs must state the address of the utility
where its tariff is available and open to public inspection.

Define local area. Referencing exchange boundary maps in not an
adequate definition.

CLC tariff should not reference a prior Commission Decision or P.U. Code
section without describing its contents completely. This applies to rules for
Non-Published Service, Privacy, and Change of Service Provider with notice
for Discontinuance of Service, Privacy, and Blocking Access to 900 and
Rename "D.E.A.F. Surcharge" to "California Relay Service and Information
Communications Devices Fund".

Reverse amortization request to allow for request to be made at
CWI's California office.

Business Discount Plan, Inc. dba U/D Discount Plan, Long Distance Charges Inc., Tele-Matic Corp.

CLC tariffs should include a detailed service description and limitations of each service.

If the CLCs offer residential access line service, the tariffs must contain the ULTS tariffs.

In the "Disputed Bill" section of the CLC tariff, customers are limited incorrectly on when complaints may be filed. PU Code Section 735 allows a customer 2 years to file a complaint protesting a bill. For discriminatory rates a customer has 3 years to file a complaint.

If a CLC charges for non-published service, the specific charge must be stated in its tariffs.

Liability of CLC rule is not correctly contained in tariffs. Rule should be revised to mirror Pacific's or GTE's Limit of Liability rule as required in Cellular Corporation, 210 Cellular, Inc., The Telephone Company, D.95-12;057 and Tapa Valley Telecom Services dba Ameritel, United

Service Interruption Credits should be modified to mirror Pacific's or GTE's tariff sections.

CLC tariffs must state the address of the company's office within California where its tariff is available and open to public inspection.

Cable & Wireless, Inc.

CLC tariff should not reference a prior Commission Decision or P.U. Code section without describing its contents completely. This applies to the rules for Discontinuance of Service, Privacy, and Blocking Access to 900 and 976 Information Services. Recharge to California Relay Services (notional 696 Communications Devices Fund).

Revise amortization request section to allow for request to be made at CWI's California office.

of "California Relay Service and Communications Devices Fund" to
"California Relay Service and Communications Devices Fund"
Specify charge for Non-Published Service or remove the vague statement
that CWI may charge for this service.

Disconnection charges are not allowed for customers on a month to month
basis.

Reverse Service Territory map to include only the exchanges for Pacific Bell
and GTE California, Inc.
CalTech International Telecom Corporation

Reverse Limitations of Liability Rule to concur in either Pacific Bell's or GTE
California, Inc.'s tariffs as specified in D.95-12-057, or another comparable
section, or another comparable section. This applies to rule for Privacy, Change of Service Provider,
State local calling area in tariffs not just in the petition limitations of liability.

Rule 15 must be modified to state specific charges a customer must pay for
modifications to originally ordered service.

Define Holidays in Rule 1: Definitions to "California Relay Service and
Communications Devices Fund"

Define Non-Published Service.

Advance Payments must be credited on a customer's first bill.

Provide information on Change of Service Provider in accordance with Rule
11 of Appendix B in D.95-07-054. Define the type of notice that negates the rule after 15 months.

Provide information on CLC Information and Initiation of Service as
specified in Rule 1 and 2 of Appendix B of D.95-07-054. Establishment and Reestablishment
to be revised to fully comply with Rules 4 and 8 of Appendix B of D.95-07-054.

CLC tariff should not reference a prior Commission Decision or P.U. Code
section without describing its contents completely. This applies to the rule
for Privacy.

Please remove the CalTech Carrier Services section entirely or properly
reserve it for future use.

Rename "Communications Devices Fund for the Deaf and Disabled" to "California Relay Service and Communications Devices Fund".

Dial & Save of California, Inc.

Define local area: If concurring in another company's tariff please provide the exact tariff cite.

Revise Service Territory map to include only the exchanges for Pacific Bell and GTE California, Inc.

CLO tariff should not reference a prior Commission Decision, P.U.C. Code sections, or another company's tariff without describing its contents completely. This applies to rule for Privacy, Change of Service Provider, Limitations of Liability and Discontinuance and Restoration of Service.

Disputed Bill rule must be revised to fully comply with Rule 8 of Appendix B of D.95-07-054.

Rename "D.E.A.F. Surcharge" to "California Relay Service and Communications Devices Fund"

Advance Payments must be credited on a customer's first bill.

Define the type of notice that negates the customer receiving interest due on a deposit after 12 months.

Establishment and Reestablishment of Credit and Disputed Bill rules must be revised to fully comply with Rules 4 and 8 of Appendix B of D.95-07-054.

Describe how the company intends to administer the Deaf and Disabled program per D.95-12-057.

Dial & Save's ULTS tariff must be part of its Local Exchange tariff Schedule Cal. P.U.C. No. 1 and not a separate attachment.

Fully define Demarcation tariff. If concurring in another company's tariff, please provide the exact tariff cited.

CLC tariffs must state the address of the company's office within California where its tariffs are available and open to public inspection.

Discontinuance of service rule must be revised to fully comply with Title 10 of Appendix B of D.95-07-054. Customers may cancel service in writing or verbally or in writing. Rename "D.E.A.F. Surcharge" to "California Relay Service and Communications Devices Fund".

CLC rule must be revised to mirror Pacific's or GTE's Limit of Liability. Please clarify the difference between Deposits and Advance Payments by creating a separate tariff section for Advance Payments.

References to other LEC's demarcation tariffs must include complete citation. CLC tariff should not reference a prior Commission Decision, P.U. Code sections, or another company's tariff without describing its contents completely. This applies to rules for Privacy, CLC Information, and Change of Service Providers.

CLC tariff should not reference another company's tariff without describing its contents completely. This applies to rules for Privacy and Change of Service Providers. State charge for unblocking 900/976 Blocking.

CLC tariffs must describe the manner in which service is provided. Define Non-published service. In addition to sample forms, provide a tariff section stating the Special Information Required on Forms as specified in Rule 3 of Appendix B of D.95-07-054.

CLC tariffs must describe the manner in which service is provided. Index tariff properly. Verify that footnotes correctly reference intended sections. This applies to rule for Privacy. Define visit charges in the 56 Kbps switched service section.

Modify the Limitations of Liability reference in the 56 Kbps switched service section to refer to the Limit of Liability for LCI's Local Access Services tariff.

LD Services, Inc. where its tariff are available and open to public inspection.

Discontinuance of Service rule must be revised to fully comply with Rule 10 of Appendix B of D.95-07-054. Customers must be given 7 days prior notice in writing of cancellation of service. Customers may cancel service verbally or in writing.

Liability of CLC rule must be revised to mirror to Pacific's or GTEC's Limit of Liability rule as required in D.95-12-057.

References to either LEC's demarcation tariff must include complete tariff citation.

ULTS tariffs must be contained in the Local Exchange section of the company's tariffs.

CLC tariff should not reference a prior Commission Decision, P.U.C. Code sections, or another company's tariff without describing its contents completely. This applies to rules for Privacy and Change of Service Provider.

CLC tariffs must describe the manner in which the CLC will comply with Deaf and Disabled Program requirements ordered in D.95-12-057.

NucomNet

CLC tariff should not reference a prior Commission Decision, P.U.C. Code sections, or another company's tariff without describing its contents completely. This applies to rule for Privacy.

In the "Back Billing" section of the CLC tariff, customers are limited incorrectly on when complaints may be filed. P.U. Code Section 735 allows a customer 2 years to file a complaint protesting a bill. For discriminatory rates, a customer has 3 years to file a complaint.

U.S. Long Distance, Inc.

Revise Service Territory map to include only the exchanges for Pacific Bell and GTE California, Inc.

Define local exchanges. If concurring in Pacific Bell's and GTE California, Inc.'s tariffs, please provide the exact tariff cite.

Define local calling area. If concurring in another company's local calling area, please provide the exact tariff cite.

Special Information Required on Forms rule must be revised to fully comply with Rule 3 of Appendix B of D.95-07-054.

CLC tariff should not reference a prior Commission Decision, P.U. Code sections, or another company's tariff without describing its contents completely. This applies to rules for Privacy, Limitations of Liability, and Change of Service Provider.

CLC tariffs must describe the manner in which the CLC will comply with Deaf and Disabled Program requirements ordered in D.95-12-057.

Rules in the CLC's tariffs regarding Disputed Bills and Discontinuance of Service do not comply with Rules 8 and 10 of Appendix B of D.95-07-054.

State charge for unblocking 900/976 Blocking.

In the "Back Billing" section of the CLC tariff, customers are limited
Universal Pacific Communications, Inc. on complaints made incorrectly on when complaints
a customer 5 years to file a complaint protesting a bill. For discriminatory
Certification is pending submittal and approval of appropriate financial rates
information.

U.S. Long Distance, Inc.

Revised Service Territory map to include only the exchanges for Pacific Bell
(END OF APPENDIX C) and GTE California, Inc.

Define local exchanges. If concurring in Pacific Bell's and GTE California,
Inc.'s tariffs, please provide the exact tariff cite.

Define local calling area. If concurring in another company's local calling
area, please provide the exact tariff cite.

Special Information Required on Forms rule must be revised to fully comply
with rule 3 of Appendix B of D.95-07-024.

CLC tariff should not reference a prior Commission Decision, P.U. Code
sections, or another company's tariff without describing its contents
completely. This applies to rules for Privacy, Limitations of Liability, and
Change of Service Provider.

CLC tariffs must describe the manner in which the CLC will comply with
Deal and Disabled Program requirements ordered in D.95-12-027.

Rules in the CLC's tariffs regarding Disputed Bills and Discontinuance of
Service do not comply with Rules 8 and 10 of Appendix B of D.95-07-024.

State charge for unblocking 900/XX blocking.

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Annotated Changes to Proposed Rules in April 27, 1995 Order A

9. JOINT LEC/CLC PROVISIONING OF SWITCHED CARRIER ACCESS SERVICES

CLCs and LECs shall establish THROUGH MUTUAL AGREEMENT meet-point billing arrangements to enable CLCs to provide Switched Access Services to third parties via LEC access tandems in accordance with the Meet-Point Billing and Provisioning Guidelines adopted by the Ordering and Billing Forum, subject to the following requirements:

A. CLC and LEC shall arrange for CLC to subtend the LEC's access tandem which the LEC's own end offices that serve the same NXX Service Area subtend for the provision of Switched Access Services.

B. At CLC's election SUBJECT TO MUTUAL AGREEMENT, the meet-point connection for the tandem subtending arrangement shall be established at the CLC's NXX Rating Point, at a collocation facility maintained by the CLC (or the CLC's chosen transport vendor) at the LEC access tandem, or at any point mutually agreed to by CLC and LEC.

C. Common channel signaling shall be utilized in conjunction with meet-point billing arrangements to the extent available.

D. CLC and LEC shall maintain provisions in their respective Federal and State access tariffs OR CONCUR IN ANOTHER LEC'S OR CLC'S EXISTING STATE ACCESS TARIFF sufficient to reflect this meet-point billing arrangement and meet-point billing percentages.

E. CLC and LEC shall exchange all call detail records associated with switched access traffic provided via the meet-point billing arrangement in a timely fashion, as necessary to accurately and reliably rate and bill third parties for such traffic. LECs shall provide carrier access bills for the CLC's meet-point traffic using the single bill format unless the LEC has been specifically authorized by the FCC to employ the multiple bill method.

10. INFORMATION SERVICES

accept another service provider's telephone number and other

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A. Whenever a LEC operates an information services platform (e.g., 976 service) over which information services are delivered to its own end users located within an area also served by one or more CLCs, the LEC shall purchase originating access service and billing and collection service from each CLC in the area. Such access, billing and collection service shall be identical to the access, billing and collection services the CLC provides to interexchange carriers for the delivery of calls to interexchange carriers' 900 information service platforms. IF CLC INTERCONNECTION IS PROVIDED OTHER THAN OVER ONE-WAY TRUNKS CAPABLE OF PASSING THE CALLER'S ANI, THE CLC SHALL PROVIDE THE LEC WITH A COMPLETE CALL RECORD OF ALL CALLS ORIGINATING ON THE CLC'S NETWORK AND DIRECTED TO THE LEC'S INFORMATION SERVICE PLATFORM.

B. To the extent a CLC offers an information services platform over which information service providers may offer information services, the LEC shall offer, and the CLC shall purchase arrangements analogous to those described in (a) above.

C. If a CLC provides access to an information services platform (e.g., 976 and 900 services), the CLC must conform to the rules in D.91-03-021 as identified for interexchange carriers.

11. ADDITIONAL INTERCOMPANY ARRANGEMENTS

A. LECs shall put into place an AUTOMATED ON-LINE service ordering and implementation scheduling system for use by CLCs which is equivalent to that used by the LECs and their affiliates. Data pertaining to service and facility availability shall be made available to CLCs in the same manner as it is provided to the LECs. In addition to the GO 133(b) requirement to report held orders for end user service, LECs shall separately report MONTHLY TO CACD ON held orders related to orders placed by CLCs. LECs and CLCs shall provide each other with both answer and disconnect supervision to allow for proper billing of customer calls as well as all available call detail information necessary to allow both LECs and CLCs to bill their customers properly.

C. LECs shall be required to enter into mutual billing and collection SHALL BE ACCOMPLISHED BY MUTUAL agreements so that each telecommunications service provider can accept another service provider's telephone line number and other

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~~non-proprietary calling cards and can bill collect on third party calls to a number served by another provider ON AN INTERIM BASIS, PENDING FURTHER COMMISSION ACTION FOLLOWING A WORKSHOP OF THE~~
~~AGREEMENTS SHALL ENABLE each telecommunications service provider TO accept another service provider's telephone line number and other non-proprietary calling cards and TO bill collect on third party calls to a number served by another provider.~~

~~(1) CLCs shall compensate the LECs for their cost of including the CLCs' customers in the directory assistance database and for any other related maintenance cost of directory assistance database in the provisioning of 411 services for the CLCs.~~

~~D. Access to databases:~~
~~(1) THROUGH MUTUAL AGREEMENT CLCs shall compensate the LECs for their cost of including the CLCs' customers in the directory assistance database and for any other related maintenance cost of directory assistance database in the provisioning of 411 services for the CLCs.~~
~~QUERIES TO THE 411 DATA BASE SHALL BE CHARGED AT THE APPLICABLE TARIFF RATE.~~

~~(2) CLCs shall have access to 911/E911 and 611 connectivity provided by the LEC under the same terms and conditions enjoyed by the LEC. CLCs shall compensate the LECs for the LECs' cost of providing access to 911/E911 and 611 connectivity and for any other related maintenance cost of the 911/E911 and 611 databases.~~

~~(3) CLCs shall be provided access to all LEC service databases DATABASE services, e.g. 800, DATA BASE SERVICE AND Line Information Data Base (LIDB), and Advanced Intelligent Network (AIN) SERVICE. CLCs access to and use of such databases shall be through signaling interconnection, with functionality and quality equal to that received by LECs and their affiliates at nondiscriminatory tariffed rate.~~

E. LECs AND CLCs shall make available access to all signaling protocols and all elements of signaling protocols used in the routing of local and interexchange traffic, including

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signaling protocols used in the query of call processing, non-databases, and shall make available all signaling resources and information necessary for the routing of local and interexchange traffic. - LECs shall be prohibited from interfering in the transmission of signaling information between customers and interconnected carriers, and may not claim proprietary right to signaling protocols or elements of signaling protocols. ALL SUCH SIGNALING PROTOCOLS, ELEMENTS, RESOURCES, AND INFORMATION SHALL BE PROVIDED BY LECs IN A MANNER EQUIVALENT TO THEIR PROVISION TO THEMSELVES AND TO OTHER LECs.

FLECS AND CLCS shall be prohibited from interfering in the transmission of signaling information between customers and interconnected carriers, and may not claim proprietary right to signaling protocols or elements of signaling protocols.

LEC's shall be required to enter into agreements with CLCS for the interoperability of operator services between networks, including but not limited to the ability of operators on each network to perform such operator functions as reverse billing, line verification, and call interrupt.

LEC's AND CLCS shall be required to offer access to LEC-provided operator services enter into MUTUAL agreements for CLCS at nondiscriminatory rates the interoperability of operator services between networks, including but not limited to the ability of operators on each network to perform such operator functions as reverse billing, line verification, and call interrupt.

G. LECs and CLCS shall develop mutually agreeable and reciprocal arrangements for the protection of their respective customer proprietary network information.

H. With respect to the publishing of telephone directories, the following provisions shall apply to LECs:

LEC's shall be required to provide access to all LEC's databases and information services, and shall make available to all LEC's and their affiliates at nondiscriminatory rates access to and use of such databases shall be through signaling interconnection, with functionality and parity equal to that received by LECs and their affiliates at nondiscriminatory rates.

LEC's AND CLCS shall take available access to all signaling protocols and all elements of signaling protocols used in the routing of local and interexchange traffic, including

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- (1) LECs shall provide nondiscriminatory access ~~to~~ AND CLCS THAT PROVIDE LOCAL TELEPHONE SERVICE SHALL, access on the same terms and conditions and price available to the competitive businesses of the LECs or their affiliates) to LEC subscriber information associated with publishing and telephone directories UPON REQUEST, PROVIDE SUBSCRIBER LIST INFORMATION GATHERED IN THEIR CAPACITY AS PROVIDERS OF SUCH SERVICE IN A TIMELY MANNER AND ON AN UNBUNDLED BASIS, UNDER NONDISCRIMINATORY AND REASONABLE RATES, TERMS, AND CONDITIONS TO ANY PERSON FOR THE PURPOSE OF PUBLISHING DIRECTORIES IN ANY FORMAT, subject to the requirements of PU Code §§ 2891 and 2891.1.
- (2) LECs shall include CLCs' customers' telephone numbers in their "White Pages" and directory listings associated with the areas in which the CLC provides (local exchange) telecommunications services to its customers, except for CLC customers who desire not to have their telephone numbers appear in such listings and databases, at no charge NONDISCRIMINATORY (TARIFF) RATES charged to the CLC or its customer.
- (3) For any listing beyond a basic listing in the "White Pages," CLC CLCS OR THEIR customers must pay THE nondiscriminatory TARIFF rates established by the LEC or its affiliate.
- (4) Each CLC shall provide the LEC with its directory listings REQUEST FOR WHITE PAGES AND DIRECTORY ASSISTANCE and updates to those listings in a format required by the LEC, which format shall be provided to the CLC by the LEC on a magnetic tape or computer disc OR OTHER MUTUALLY AGREEABLE TRANSMISSION MEDIUM.
- (5) CLC customers shall have the right to be listed and purchase advertising in the LEC's "Yellow Pages" under the same terms and conditions as UNTIL FURTHER COMMISSION RESOLUTION, LECs AND CLCS MAY DEVELOP MUTUALLY AGREEABLE ARRANGEMENTS TO distribute the LEC's customers local "White" and "Yellow Pages" directories to all CLC customers in a given service area.

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(6) LECs shall distribute the local "White" and "Yellow Pages" directories to all include in the section of the "White Pages" that precedes customer listings, information concerning each CLC on the same basis that it includes the information for itself or its LEC affiliates offering local-exchange telecommunications service in the geographic area at no charge covered by the relevant "White Pages".

(7) LECs shall include in the section of the "White Pages" that precedes customer listings, information concerning each CLC on the same basis that it includes the information for itself or its LEC affiliates offering local-exchange telecommunications service in the geographic area covered by the relevant "White Pages" at the rates established in D.94-09-065. CLCS SHALL HAVE THE DISCRETION TO DETERMINE DIRECTORIES IN WHICH THEY WISH TO BE LISTED.

ON AN INTERIM BASIS, CLCS SHALL BE CHARGED THE rates established in D.94-09-065. LECs shall allow CLCs to connect to the LEC 911 tandems, routers, and other switching points serving the areas which CLCs provide local exchange telecommunications services, for the provision of 911 and E911 services and for access to all sustaining Public Safety Answering Points.

12.

NONDISCRIMINATORY ACCESS TO RIGHTS OF WAY
LECS AND CLCS MAY MUTUALLY NEGOTIATE ACCESS TO AND CHARGES FOR RIGHTS OF WAY, CONDUITS, POLE ATTACHEMENTS, AND BUILDING ENTRANCE FACILITIES ON A NONDISCRIMINATORY BASIS.

(2) The Commission shall have authority to...
and...
FURTHER COMMISSION RESOLUTION, LECS AND CLCS MAY...
DEVELOP... (END OF APPENDIX D) ...
distribute the LEC's customer local "White" and "Yellow Pages" directories to all CLC customers in a given service area.

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Initial Rules for Local Exchange Service
Local Competition in California
[Note: Items in Boldface type are amendments to the rules issued in D.95-12-056, Appendix C.]

1. **PUBLIC POLICY PRINCIPLES AND OBJECTIVES**

A. It is the policy of the California Public Utilities Commission (Commission) that competition in the provision of local exchange telecommunications services is in the public interest.

B. It is the policy of the Commission that, in an environment of competition for local exchange telecommunications services, telecommunications users shall receive ongoing disclosure of the rates, terms and conditions of service from telecommunications providers and shall benefit from a clear and comprehensive set of consumer protection rules.

C. It is the policy of the Commission that interconnection of the networks of Competitive Local Carriers (CLCs) and Local Exchange Carriers (LECs) should be accomplished in a technically and economically efficient manner.

D. It is the policy of the Commission that all telecommunications providers shall be subject to appropriate regulation designed to safeguard against anticompetitive conduct.

E. It is the policy of the Commission that service and rate provider local number portability should be accomplished.

F. It is the policy of the Commission that networks of dominant providers of local exchange telecommunications services should be unbundled in such a manner that a carrier is provided access to essential facilities on a nondiscriminatory standalone basis.

G. It is the policy of the Commission that customer privacy rights and concerns be protected in an environment of local exchange competition.

H. It is the policy of the Commission to ensure that local exchange competition does not degrade the reliability of the telecommunications network.

I. It is the policy of the Commission to encourage intercarrier coordination and cooperation.

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J. It is the policy of the Commission to monitor, on a periodic basis, the market conditions of the local exchange telecommunications market and reevaluate its policies on local exchange competition accordingly.

K. It is the policy of this Commission that Commission-approved tariffs for call termination should reflect costs.

2. **SCOPE OF RULES**
These interim rules apply to the provision of local exchange telecommunications services by CLCs, and where applicable, LECs. LEC as used in these rules refers to only Pacific Bell and GTE California, until further action by the Commission.

3. **DEFINITIONS**
A CLO means a common carrier that is issued a Certificate of Public Convenience and Necessity effective on or after January 1, 1996, to provide local exchange telecommunications service for a geographic area specified by such carrier.

B. LEC means any incumbent carrier listed in Appendix C attached hereto.

C. Minor rate increases are those which are both less than 1% of the CLC's total California intrastate revenues and less than 5% of the affected service's rates. Increases shall be cumulative, such that if the sum of the proposed rate increase and rate increases that took effect during the preceding 12-month period for any service exceeds either parameter above, then the filing shall be treated as a major increase.

D. Major rate increases are increases which are greater than the increases described above.

E. Network component means a functional capability of a network, disaggregated from other network capabilities and made available to other carriers and end users separately from all other network capabilities.

F. Nondominant interexchange carrier (NDIEC) means an interexchange carrier that is considered nondominant under the Commission's decisions.

G. NXX Rating Point means the end office/wire center location designated in the Local Exchange Routing Guide as the assignment point for an NPA-NXX code.

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H. **NXX Service Area** means the geographically-bounded area designated as the area within which a LEC or CLC may provide local exchange telecommunication services bearing a particular NPA-NXX designation.

I. **Local telephone number portability** means the ability of end users to retain their existing telephone numbers when remaining at a location, or changing their location within the geographic area served by the initial carrier's serving central office, regardless of the LEC or CLC selected.

J. **Local exchange loop facility** (also known as a basic level network access channel) means a transmission path capable of delivering analog voice grade signals or digital signals at less than 1.544 Mbps between the network interface at a customer's premises and the main distribution frame or any other point of interconnection to the LEC network.

K. **Ports** (also known as a basic level network access channel connection) is the interface between the loop and the appropriate LEC Central Office switching equipment.

L. **Nonfacilities-based CLCs** are those which do not directly own, control, operate, or manage conduits, ducts, poles, wires, cables, instruments, switches, appurtenances, or appliances in connection with or to facilitate communications within the local exchange portion of the public switched network.

M. **Facilities-based CLCs** are those which directly own, control, operate, or manage conduits, ducts, poles, wires, cables, instruments, switches, appurtenances, or appliances in connection with or to facilitate communications within the local exchange portion of the public switched network.

N. **Service territory** means the area in which a CLC is authorized to provide service.

O. An intercompany interconnection service order is a request for interconnection of trunks and/or facilities between CLCs and/or LECs.

P. **Warm-line** refers to residential customer access to E-911 service after disconnection for nonpayment and for newly installed lines with a reputable financial institution.

4. **ENTRY, CERTIFICATION, AND REGULATION OF CLCs**

The Commission shall grant a Certificate of Public Convenience and Necessity (CPCN) to any applicant that possesses the requisite managerial qualifications, financial resources, and technical competence to provide local exchange telecommunications services.

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The Commission shall apply the following financial standards to the certification of CLCs:

(1) All new applicants seeking CPCNs for authority to become facilities-based CLCs, as defined in this decision, shall demonstrate in their applications that they possess a minimum of \$100,000 of cash or cash equivalent, as defined below, reasonably liquid and readily available to meet the firm's start-up expenses. Such applicants shall also document any deposits required by local exchange companies or interexchange carriers (IECs) and demonstrate that they have additional resources to cover all such deposits.

(2) All new applicants seeking CPCNs for authority to become nonfacilities-based CLCs, as defined in these rules, shall demonstrate in their applications that they possess a minimum of \$25,000 of cash or cash equivalent, as defined below, reasonably liquid and readily available to meet the new firm's expenses. Such applicants shall also document any deposits required by IECs or IECs and demonstrate that they have additional resources to cover all such deposits.

(3) Applicants for CPCNs as CLCs who have profitable interstate operations may meet the minimum financial requirement by submitting an audited balance sheet and income statement demonstrating sufficient cash flow, as authorized in Decision (D.) 91-10-041 for NDIECs.

(4) New applicants for CPCNs as CLCs shall be permitted to use any of the following financial instruments to satisfy the applicable unencumbered cash requirements established by this order.

- (a) Cash or cash equivalent including cashier's check, sight draft, performance bond, proceeds, or traveler's checks;
- (b) Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution;

Preferred stock (proceeds) or other corporate shareholder equity, provided that use is restricted to maintenance of working capital for a period of at least twelve (12) months beyond certification of the applicant by the Commission; and

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(d) Letter of credit, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission;

(e) Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;

(f) Loan, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;

(g) Guarantee, issued by a corporation, copartnership, or other person or association, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission;

(h) Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission;

(5) The definitions of certain of the financial instruments listed in 4(a) and our intent on nondiscriminatory application of these definitions are clarified as follows:

(a) All unencumbered instruments listed in 4.a. through 4.f. will be subject to verification and review by the Commission prior to a period of twelve (12) months beyond certification of the applicant by the Commission. Failure to comply with this requirement will void applicant's

certification or result in such other action as the Commission deems in the public interest, including assessment of reasonable penalties. (See PU Code §§ 2112 and 2112a)

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(b) Applicants for CPCNs as non-facilities-based CLCs shall assure that every issuer of a letter of credit, line of credit, or guarantee to applicant will remain prepared to furnish such reports to applicant for tendering to the Commission at such time and in such form as the Commission may reasonably require to verify or confirm the financial responsibility of applicant for a period of at least twelve (12) months after certification of the applicant by the Commission.

All information furnished to the Commission for purposes of compliance with this requirement will be available for public inspection or made public, except in cases where a showing is made of a compelling need to protect it as private or proprietary information.

C. The Commission shall apply the following other standards to its regulation of CLCs:

- (1) Applicants which currently hold CPCNs as telecommunications providers should apply as prescribed herein to have their current authority expanded to include operating as a CLC.
 - (2) Applicants will be required to comply with CEQA as specified in Rule 17 of the Commission's Rules of Practice and Procedure.
 - (3) If a CLC is 90 or more days late in filing the annual report required by General Order (GO) 104-A or in remitting any current or future Commission-mandated surcharge, including but not limited to Universal Lifeline Telephone Service Fund (Public Utilities) (PU) Code (§ 879), DEAF Trust Fund (PU Code § 2881(d)), the California High Cost Fund (PU Code § 739.3), or the user fees on intrastate revenues (PU Code §§ 431-435), the Commission or the Advisory and Compliance Division (ACAD) shall prepare a resolution for the Commission's consideration revoking the CLC's CPCN, unless the CLC has received written permission from the ACAD to file for reinitiation. This requirement will void applicant's ID's.
- The ACAD shall on or before January 31, 1997, and at least once each year thereafter, prepare a list of all current CLCs in good standing operating in California, including addresses, phone numbers, and the name of the responsible contact.

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person at each such utility, and then disseminate that list to all other telecommunications utilities including the local exchange companies and IECs and will provide the list at the Commission's standard per page charge to any other interested party having requested such list.

E. CLCs shall be subject to the following tariff and contract filing, revision and service pricing standards:

- (1) Uniform rate reductions for existing tariff services shall become effective on five (5) working days' notice to the Commission. Customer notification is not required for rate decreases.
- (2) Uniform major rate increases for existing tariff services shall become effective on thirty (30) days' notice to the Commission, and shall require bill inserts or a message on the bill itself, or first class mail notice to customers at least 30 days in advance of the pending rate increase.
- (3) Uniform minor rate increases shall become effective on not less than five (5) working days' notice to the Commission. Customer notification is not required for such minor rate increases.
- (4) Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice to the Commission.
- (5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate of charge shall become effective on not less than five (5) days' notice to the Commission.
- (6) Contracts shall be subject to GOI 96-A rules for NDIECs, except interconnection contracts.
- (7) CLCs shall file tariffs in accordance with PU Code Section 876.
- (8) CLCs must obtain Commission approval before discontinuing service in any part of their service area.
- (9) CLCs shall provide E-911 service.

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The following regulations shall apply to CLCs:

- (1) CLCs shall be required to serve customers requesting service within their designated service territory on a nondiscriminatory basis, but shall not be required to have the same service territory as LEC service territories;
- (2) Facilities-based CLCs shall at a minimum serve all customers who request service and whose premises are within 300 feet of the CLC's transmission facilities used to provide service so long as the CLC can reasonably obtain access to the point of demarcation on the customer's premises, but the CLC shall not be required to build out facilities beyond such 300 feet;
- (3) CLCs shall file service territory maps with the Commission that detail the area in which the CLC is authorized to provide service;
- (4) CLCs shall file quarterly a written description or map and a map that describes its existing physical facilities;
- (5) For any interexchange carrier which subscribes to a CLC's switched access services, the CLC is required to provide 1+ presubscription or 10XXX equal access consistent with the equal access rules of this Commission and of the Federal Communications Commission;
- (6) Facilities-based CLCs are required to make all telecommunications service offerings available for resale, only within the same class of service, on a nondiscriminatory basis;
- (7) CLCs shall be subject to the obligations of public utilities under the PU Code including but not limited to §§ 451 and 453 dealing with the provision of just and reasonable rates and charges;
- (8) CLCs must obtain Commission approval before discontinuing service in any part of their service area.
- (9) CLCs shall provide E-911 service.

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(10) To ensure that qualified customers are provided with telecommunication devices for the deaf (TDDs) or other telecommunication equipment under the Deaf and Disabled Telecommunications Program (DDTP) program:

(a) CLCs should contract with Pacific Bell, GTE (including those of California), the California Telephone Association or Thomson Consulting to offer this equipment and services to eligible deaf and disabled customers. These contracts should be interim pending the outcome of continued workshops to determine how CLCs should participate in the DDTP over the long term.

(b) CLCs shall specify in their tariffs how they will offer DDTP services.

(11) CLCs shall respond promptly to their customer's 611 repair calls by either using their own service technicians or through contractual arrangements. The CLC shall disclose the procedure for ordering repair service at the time the customer initiates service as well as on the monthly customer bill.

(a) LECs shall institute a referral system to direct CLC customers who dial "611" to the appropriate CLC for service or to the Commission's Consumer Affairs Branch if the CLC's identity is unknown.

(b) CLCs shall institute a similar referral system to direct calls of other competitor's customers seeking repair service.

(12) CLCs shall be subject to the consumer protection rules contained in Appendix B of D.95-07-054.

(13) CLCs shall provide the following reports to the Commission:

(a) On a quarterly basis, a copy of all written notices provided to customers, in accordance with Rules 1, 2 and 6 of the consumer protection rules set forth in Appendix B;

(b) By April 1 of each year a copy of the CLC's annual report;

(c) On a monthly basis, reports regarding major service outages;

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(d) Reports required in GO 133-B and GO 152-A;
and
(e) Such other reports required by the
Commission.

(14) CLCs shall submit all mandated bill insert
notices, including notices of basic universal
service rate increases, to the Commission's Public
Advisor's Office for review and approval, and
shall allow the Public Advisor's Office at least
five working days to review and approve the
proposed bill inserts prior to their issuance to
customers.

(15) CLCs shall deposit customer deposits in a
protected, segregated, interest-bearing escrow
account subject to Commission oversight.

(16) CLCs shall inform each new customer, in writing
and in the language in which the sale was made, of
the availability, terms, and statewide rates of
Universal Lifeline Telephone Service and basic
service; CLCs shall also provide bills, notices,
and access to bilingual customer service
representatives in the languages in which prior
sales were made.

(17) Redlining is prohibited and the Commission shall
take strong action against any carrier engaging in
redlining.

5. REGULATION OF LECs

A. Incumbent LECs shall have provider of last resort
responsibilities in their service areas until the Commission
makes a decision on the issue in its Universal Service docket.

6. INTERIM NUMBER PORTABILITY

(The rules on Interim Number Portability (INP) will be
issued concurrently with the Commission's decision adopting INP
rates.)

(b) By April 1 of each year a copy of the CAC's
annual report;

(c) On a monthly basis, reports regarding major
service outages;

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7. INTERCONNECTION OF LEC AND CLC NETWORKS FOR TERMINATION OF LOCAL TRAFFIC

A. The interconnection of LEC and CLC networks for the termination of local traffic involves not only the construction and maintenance of the interconnecting facilities, but also the throughput of local terminating traffic across those interconnecting facilities. Local exchange networks shall be interconnected so that customers of any local exchange carrier can seamlessly receive calls that originate on another local exchange carrier's network and place calls that terminate on another local exchange carrier's network without dialing extra digits.

B. In the interim, local traffic shall be terminated by the LEC for the CLC and by the CLC for the LEC over the interconnecting facilities described in this Section on the basis of mutual traffic exchange. Mutual traffic exchange, also known as "bill and keep," means the exchange of terminating local traffic between or among CLCs and LECs, whereby LECs and CLCs terminate local exchange traffic originating from end users served by the networks of other LECs or CLCs without explicit charging among or between said carriers for such traffic exchange.

C. Bill and keep rules apply to all local calls (including calls within a 12 mile radius and EAS and ZUM Zone 3) between a CLC network and a LEC end office, even if the call is routed through an access tandem. Toll free, directory assistance, busy line verification, and emergency interrupt calls are not subject to bill and keep provisions.

D. For intralata toll calls, CLCs shall pay terminating access charges based on the LECs' existing switched access tariffs.

E. If a CLC uses a LEC tandem to route a call to another CLC, the LEC may impose a charge for the service.

F. Before December 31, 1996, the Commission will review the appropriateness of a bill and keep system, and modify if necessary.

G. CLCs and LECs shall negotiate interconnection arrangements which shall contain mutually agreeable points of interconnection. Upon reaching agreement on the terms of interconnection, parties to the agreement shall file the proposed agreement via advice letter with the Commission for expedited review and approval. Parties shall develop compensation provisions that appropriately reflect the usage of facilities. In the event parties are unable to reach agreement, parties may designate their own separate points of interconnection for

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terminating local traffic on each other's networks, if mutually agreeable, until the dispute is resolved by the Commission.

H. Virtual or physical collocation interconnection arrangements are not precluded, and may be implemented by mutual agreement, but shall not be a mandatory form of LEC-CLC interconnection.

I. Two-way trunking will be more conducive to efficient network utilization in a competitive environment. If two-way trunks are used, CLCs shall submit percentages on a quarterly basis to LECs that represent the amount of local traffic a CLC is terminating on the LEC's network. Each CLC and LEC shall separately measure its total volumes and percentage of local usage sent to each carrier with which it interconnects and then exchange its measurements with that carrier as well as with CACD for monitoring purposes. Any independent verification of the traffic reported to CACD shall be funded jointly by all certificated local exchange competitors.

J. In every LATA where a carrier originates traffic and interconnects with another carrier, it must interconnect with all of the other carriers' access tandems.

K. If a CLC wishes to interconnect to an end office that is not SS7 capable, the LECs must accommodate the request via MF signaling.

L. Symmetrical rights and obligations shall apply to LECs as well as CLCs in the exchange of confidential information. Each party shall be responsible for designating which information it claims to be confidential.

M. CLCs' liability shall be no greater than the LECs' liability for any action or inaction resulting in a claim against a LEC. Parties may establish the actual limits which must be symmetrical.

N. No competitor shall have the ability to terminate another carrier's service without prior notice or opportunity for proper recourse.

O. LECs may require CLCs with no established credit record who order interconnection service to pay a deposit equal to an estimated two months of recurring flat-rated or usage-based interconnection charges based on the number and type of interconnection facilities ordered from the LEC. Bonds may not be required in addition to deposits.

P. Interconnection standards set forth in subsection 6 of GO 1133-B shall apply to both LECs and CLCs.

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(1) An Intercompany Interconnection Held Service Order (IIHSO) shall be reported when service is not provided within 15 days of the mutually agreed-upon due date. Local carriers shall file their IIHSOs on the last day of the following month.

(2) An IIHSO report, broken down by individual CLC, shall contain the following information:

- a. the service order number
- b. the due date
- c. the company requesting interconnection of
- d. whether the IIHSO is overdue to 15-20, 21-25, 26-30, 31-35, 36-40, 40-45, and over 45 days.
- e. the reporting unit (wire centers or plant installation center)
- f. whether the IIHSO is pending or complete
- g. an explanation for the IIHSO if necessary

(3) All local carriers shall refund nonrecurring interconnection charges for service orders held 45 days beyond the mutually agreed upon service date. Refunds do not apply if service order completion was delayed due to natural disasters, severe weather, labor disputes, or civil disturbances.

8. ADDITIONAL INTERCOMPANY ARRANGEMENTS

A. LECs shall provide certain essential services under reasonable and nondiscriminatory terms and conditions, either under tariff or by contract, on an interim basis pending further determination in Phase II. These essential services include busy line verify/emergency interrupt, and inclusion of CLC customer listings in LECs' directory assistance databases.

B. CLCs shall have access to E-911 provided by the LEC under the same terms and conditions enjoyed by the LEC. LECs shall allow CLCs to connect to the LEC's 911 tandems, routers and other switching points serving the areas in which CLCs provide local exchange telecommunications services for the provision of E-911 services, and for access to all sustaining Public Safety Answering Points (PSAPs). CLCs shall compensate the LECs at a rate that covers the cost of providing access to E-911 and for any other related maintenance costs of E-911 databases.

(1) Both facilities-based and resale CLCs shall provide residential customers access to E-911 service following disconnection due to nonpayment (i.e., "warm-line service"). Facilities-based CLCs and LECs must offer warm-line service to resale CLCs. Resale CLCs shall offer warm-line service to customers as long as the CLC maintains an arrangement for resale service to the LEC.

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Following termination of the
resale arrangement, the obligation to provide warm line
service shall revert to the underlying facilities-based
CLC or LEC.

- (2) LECs shall provision E-911 trunks within 30 business days from when ordered.
- (3) LECs shall charge CLC the LECs cost for provisioning maps of 911 tandem locations.
- (4) To ensure the timely update of 911 databases, CLCs shall provide information on new customers to the LEC within 24 hours of order completion. LECs shall update their databases within 48 hours of receiving data from the CLC. If the LEC detects an error in the CLC data, the data should be returned to the CLC within 48 hours from when it was first provided to the LEC.
- (5) LECs shall ship Master Street Address Guide (MSAG) data to the CLC within 72 business hours from the time requested, either on paper, diskette, magnetic tape, or in a format suitable for use with desktop computers.
- (6) CLCs shall provide the 911 database administrator with any necessary information when interim number portability is discontinued to ensure proper and timely response to a 911 call.
- (7) CLCs are required to obtain a toll free number to serve as a contact point where PSAPs can obtain subscriber information from competent and trained personnel 24 hours a day, seven days a week. An industry-led task force shall monitor and enforce this requirement and distribute the toll free numbers to PSAPs.

LECs shall put into place an automated on-line service ordering and implementation scheduling system for use by CLCs. Data pertaining to service and facility availability shall be made available to CLCs. In addition to the 60133(b) requirement to report held orders for end user service, LECs shall separately report monthly to CACD on held orders related to orders placed by CLCs.

D. LECs and CLCs shall provide each other with both answer and disconnect supervision to allow for proper billing of customer calls, as well as all available call detail information necessary to allow both LECs and CLCs to bill their customers properly.

Billing and collection shall be accomplished by mutual agreements on an interim basis, pending further commission action following a workshop. Agreements shall enable each

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telecommunications service provider to accept another service provider's telephone line number and other non-proprietary calling cards and to bill collect or third party calls to a number served by another provider.

Access to databases:

(1) Through mutual agreement CLCs shall compensate the LECs for their cost of including the CLCs' customers in the directory assistance database and for any other related maintenance cost of directory assistance database in the provisioning of 411 services for the CLCs. Queries to the 411 data base shall be charged at the applicable tariff rate.

(2) CLCs shall be provided access to LEC database services, e.g., 800 Data Base Service and Line Information Data Base (LIDB) Service. CLCs access to and use of such databases shall be through signaling interconnection, with functionality and quality equal to that received by LECs and their affiliates at nondiscriminatory tariffed rate.

G. LECs and CLCs shall make available access to all signaling protocols and all elements of signaling protocols used in the routing of local and interexchange traffic, including signaling protocols used in the query of call processing databases, and shall make available all signaling resources and information necessary for the routing of local and interexchange traffic. All such signaling protocols, elements, resources, and information shall be provided by LECs in a manner equivalent to their provision to themselves and to other LECs. LECs and CLCs shall be prohibited from interfering in the transmission of signaling information between customers and interconnected carriers, and may not claim proprietary right to signaling protocols or elements of signaling protocols.

H. LECs and CLCs shall be required to enter into mutual agreements for the interoperability of operator services between networks, including but not limited to the ability of operators on each network to perform such operator functions as reverse billing, line verification, and call interrupt.

I. LECs and CLCs shall develop mutually agreeable and reciprocal arrangements for the protection of their respective customer proprietary network information.

J. With respect to the publishing of telephone directories, the following provisions shall apply to LECs:

UNIVERSAL TELEPHONE SERVICE PROVISIONING

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- (1) LECs and CLCs that provide local telephone service shall, upon request, provide subscriber list information, gather, in their capacity as providers of such service in a timely manner and on an unbundled basis, under nondiscriminatory reasonable rates, terms, and conditions, to any person for the purpose of publishing directories in any format, subject to the requirements of PU Code ss. 2891 and 2891.1.
- (2) LECs shall include CLCs' customers' telephone numbers in their "White Pages" and directory listings associated with the areas in which the CLC provides local exchange telecommunications services to its customers, except for CLC customers who desire not to have their telephone numbers appear in such listings and databases, at nondiscriminatory tariff rates charged to the CLC or its customer.
- (3) For any listing beyond a basic listing in the "White Pages," CLCs or their customers must pay the nondiscriminatory tariff rates established by the LEC or its affiliate.
- (4) Each CLC shall provide the LEC with its request for white pages and directory assistance and updates to those listings in a format required by the LEC which format shall be provided to the CLC by the LEC on a magnetic tape or computer disc or other mutually agreeable transmission medium.
- (5) Until further Commission resolution, LECs and CLCs may develop mutually agreeable arrangements to distribute the local "White" and "Yellow Pages" directories to all CLC customers in a given service area.
- (6) LECs shall include in the section of the "White Pages" that precedes customer listings information concerning each CLC on the same basis that it includes the information for itself or its LEC affiliates offering local-exchange telecommunications service in the geographic area covered by the relevant "White Pages." CLCs shall have the discretion to determine directories in which they wish to be listed. On an interim basis, CLCs shall be charged the rates established in P.94-09-065.

9. UNIVERSAL LIFELINE SERVICE PROVISIONING

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10. Universal Lifeline Telephone Service shall be provided by both LECs and CLCs at the statewide rates established in D:94-09-065. Rules for Universal Lifeline service will be finalized in the Universal Service Rulemaking, R:95-01-020.

10. JOINT LEC/CLC PROVISIONING OF SWITCHED CARRIER ACCESS SERVICES

CLCs and LECs shall establish through mutual agreement meet-point billing arrangements to enable CLCs to provide Switched Access Services to third parties via LEC access tandems in accordance with the Meet-Point Billing and Provisioning Guidelines adopted by the Ordering and Billing Forum, subject to the following requirements:

A. CLC and LEC shall arrange for CLC to subtenant the LEC access tandem which the LEC's own end offices that serve the same NXX Service Area subtenant for the provision of Switched Access Services.

B. Subject to mutual agreement, the meet-point connection for the tandem subtenanting arrangement shall be established at the CLC's NXX Rating Point, at a collocation facility maintained by the CLC (or the CLC's chosen transport vendor) at the LEC access tandem, or at any point mutually agreed to by CLC and LEC.

C. Common channel signaling shall be utilized in conjunction with meet-point billing arrangements to the extent available.

D. CLC and LEC shall maintain provisions in their respective State access tariffs or concur in another LEC's or CLC's existing state access tariff sufficient to reflect this meet-point billing arrangement and meet-point billing percentages.

E. CLC and LEC shall exchange all call detail records associated with switched access traffic provided via the meet-point billing arrangement in a timely fashion, as necessary to accurately and reliably rate and bill third parties for such traffic.

11. INFORMATION SERVICES

A. Whenever a LEC operates an information services platform (e.g., 976 service) over which information services are delivered to its own end users located within an area also served by one or more CLCs, the LEC shall purchase originating access service and billing and collection service from each CLC in the area. Such access, billing and collection service shall be

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identical to the Access, billing and collection services the CLC provides to interexchange carriers for the delivery of calls to interexchange carriers' 900 information service platforms. If CLC interconnection is provided other than over one-way trunks capable of passing the caller's ANI, the CLC shall provide the LEC with a complete call record of all calls originating on the CLC's network and directed to the LEC's information service platform.

B. To the extent a CLC offers an information service platform over which information service providers may offer information services, the LEC shall offer, and the CLC shall purchase arrangements analogous to those described in (a) above.

C. If a CLC provides access to an information service platform (e.g., 976 and 900 services), the CLC must conform to the rules in D.91-03-021 as identified for interexchange carriers.

12. NONDISCRIMINATORY ACCESS TO RIGHTS OF WAY

LECs and CLCs may mutually negotiate access to and charges for rights of way, conduits, pole attachments, and building entrance facilities on a nondiscriminatory basis.

(END OF APPENDIX B)

C. Common channel signaling shall be utilized in conjunction with meet-point billing arrangements to the extent available.

D. CLC and LEC shall maintain provisions in their respective state access tariffs or conform in another LEC's or CLC's existing state access tariff sufficient to reflect the meet-point billing arrangement and meet-point billing percentages.

E. CLC and LEC shall exchange all call detail records associated with switched access traffic provided via the meet-point billing arrangement in a timely fashion, as necessary to accurately and reliably rate and bill third parties for such traffic.

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