



Public Service Commission

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RECORDS AND REPORTING

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DATE: APRIL 6, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAY)

FROM: DIVISION OF COMMUNICATIONS (ILERI) *IL*
DIVISION OF LEGAL SERVICES (B. KEATING) *BK*

RE: DOCKET NO. 000258-TL - INVESTIGATION INTO TELEPHONE EXCHANGE BOUNDARY ISSUES IN ST. AUGUSTINE AND PALM COAST EXCHANGES (DAYTONA BEACH AND JACKSONVILLE LATA BOUNDARIES).

AGENDA: APRIL 18, 2000 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\000258.RCM

CASE BACKGROUND

At the January 27, 2000, customer hearing in Docket No. 990517-TL, the Request for Review of Proposed Numbering Plan Relief for the 904 Area Code, Mr. and Mrs. Richard Rubino from the Palm Coast area expressed their concerns about the boundary between the Daytona Beach and Jacksonville LATAs. As a result, this docket has been opened to investigate the exchange boundary issues in this particular area.

The Commission first received complaints from residents in this area pertaining to telephone exchange boundary issues in early 1999. Staff had complaints from the Rubinos, the Waltmans and the Boehms, who stated that they would like to be able to call toll-free to the Palm Coast exchange. They all live in Flagler County, but they are served from the St. Augustine exchange (Jacksonville LATA) in St. Johns County. Their current local calling area includes the Hastings, St. Augustine, and St. Johns exchanges.

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They also have extended (\$0.25) calling to Green Cove Springs, Jacksonville, Jacksonville Beach, Julington, and Ponte Vedra Beach.

On November 4, 1999, BellSouth responded to staff's inquiries in the above referenced complaints. In its letter to staff and the customers, BellSouth stated that it is prohibited from carrying traffic across a LATA boundary. BellSouth also stated that on some occasions, the Federal Communications Commission (FCC) has, however, granted waivers to change a LATA boundary, provided that there has been a determination through balloting that there is a significant community of interest. BellSouth further stated that any remedy to the customers' concerns would require a change in LATA boundary, and customers would also need to change their telephone numbers and local calling areas.

At the January 27, 2000, customer hearing in Docket No. 990517-TL (904 Area Code), BellSouth indicated that it would initiate an effort to resolve this matter. To address this issue, on February 24, 2000, staff met with BellSouth representative Mr. Stan Greer. Mr. Greer stated that as long as the affected customers would agree to change their telephone numbers and their local calling areas as a result of a balloting process, BellSouth would request a LATA boundary waiver from the FCC in order to move the affected customers from the St. Augustine exchange to the Palm Coast exchange. In addition, during a subsequent telephone conversation, Mr. Greer indicated that BellSouth would request the waiver if this Commission requires balloting and imposes a measurement criterion similar to prior exchange boundary modification cases.

Therefore, this recommendation addresses whether a balloting process should be approved by the Commission.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve BellSouth's proposal and require that customers in the Flagler County pocket of the St. Augustine exchange be balloted for a possible transfer to the Palm Coast exchange? If so, what should be the implementation schedule for this balloting?

RECOMMENDATION: Yes. Staff recommends that the Commission approve BellSouth's proposal and require that customers in the Flagler County pocket of the St. Augustine exchange be balloted for a possible transfer to the Palm Coast exchange, thereby providing a basis for BellSouth to determine the appropriateness of requesting

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a LATA boundary waiver from the FCC to permit inclusion of this pocket in the Palm Coast exchange. The survey should be initiated within 45 days from the date that the Order from this recommendation becomes final. The ballot should advise the subscribers that their seven-digit telephone number and calling scope would change (from Rate Group IV to Rate Group III), and that their area code may change, pending the outcome of Docket No. 990517-TL. The survey letter and ballot should be submitted to staff for review prior to distribution to the affected customers. In order for the survey to pass, staff recommends that the Commission require that at least 60 percent of the subscribers balloted must respond, and of those responding, at least 60 percent must vote in favor of the boundary change. (ILERI)

STAFF ANALYSIS: Staff received several concerns from customers who live in Flagler County, but are served from the St. Augustine exchange in St. Johns County. These customers indicated that they would like to be able to call toll-free to the Palm Coast exchange. However, staff emphasizes that transferring customers from one exchange to the other will have an impact on these customers. For example, all affected customers will have to change their seven-digit telephone number and calling scope. Staff recognizes this unique circumstance and acknowledges BellSouth's willingness to work to address this situation.

Staff believes that customers in the Flagler County pocket of the St. Augustine exchange should be balloted for a possible transfer to the Palm Coast exchange, thereby providing a basis for BellSouth to determine the appropriateness of requesting a LATA boundary waiver from the FCC to permit inclusion of this pocket in the Palm Coast exchange. Per BellSouth's proposal, staff believes that the ballots should be collected at this Commission. Once the ballots are counted, staff will provide the results in a later recommendation to the Commission.

Staff believes that the survey provisions set forth in Rule 25-4.063, Florida Administrative Code, which is applicable to surveys for extended area service, should be used, with the exception of subsection (6) of the rule. Subsection (6) provides:

The requested Extended Area Service shall be approved and ordered by the Commission upon a finding that a majority of all respondents in each exchange if route-by-route, or the consolidated results if so ordered, required to be surveyed vote favorably, and at least forty (40%) percent of all ballots sent are returned.

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In previous exchange boundary modification cases, the Commission has required different threshold limits. Where customers would be moved from one exchange to another, the Commission has required a higher response and approval threshold: 60% of balloted customers must respond and 50% must be in favor (60/50 criteria). See Docket Nos. 961048-TL and 951099-TL. When a new exchange was created, the Commission required a lower response threshold (50/50 criteria). See Docket Nos. 981795-TL and 981345-TL.

BellSouth noted in a meeting with staff that there are about 174 access lines in this area, which may mean that there are about 100 customers. If the 50/50 criteria is used, only 25 customers would need to vote in favor for the ballot to pass. BellSouth argues that the 50/50 criteria is not reasonable considering the total number of customers.

Staff agrees with BellSouth that use of the existing rule would not be appropriate. Further, staff believes that the 60/50 criteria, when only 30 affirmative votes would be necessary for passage, would not be representative of the needs of the residents in this area. Because of the unique situation in this case and the small population, a more stringent standard, 60/60 criteria [60% of balloted customers must respond and 60% must be in favor], is appropriate.

Therefore, staff recommends that the Commission approve BellSouth's proposal and require that customers in the Flagler County pocket of the St. Augustine exchange be balloted for a possible transfer to the Palm Coast exchange, thereby providing a basis for BellSouth to determine the appropriateness of requesting a LATA boundary waiver from the FCC to permit inclusion of this pocket in the Palm Coast exchange. The survey should be initiated within 45 days from the date that the Order from this recommendation becomes final. The ballot should advise the subscribers that their seven-digit telephone number and calling scope would change (from Rate Group IV to Rate Group III), and that their area code may change, pending the outcome of Docket No. 990517-TL. The survey letter and ballot should be submitted to staff for review prior to distribution to the affected customers. In order for the survey to pass, staff recommends that the Commission require that at least 60 percent of the subscribers balloted must respond, and of those responding, at least 60 percent must vote in favor of the boundary change.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. With the approval of staff's recommendation in Issue 1, this docket should remain open pending the outcome of the subscriber survey results. (B. KEATING)

STAFF ANALYSIS: With the approval of staff's recommendation in Issue 1, this docket should remain open pending the outcome of the subscriber survey results.