

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of the Requirements	)	DOCKET NO. 871394-TP
Appropriate for Alternative Operator	)	
Services and Public Telephones.	)	
	)	

In re: Tariff revision by SOUTHERN	)	DOCKET NO. 880649-TL
BELL TELEPHONE AND TELEGRAPH COMPANY	)	ORDER NO.: 22394
to establish provisions for billing	)	ISSUED: 1-10-90
validation service. (T-89-318 filed	)	
6/14/89)	)	
	)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL McK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- JOHN T. HERNDON

ORDER APPROVING TARIFF REVISIONS  
WITH CERTAIN PROVISION DELETED

BY THE COMMISSION:

On June 14, 1989, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed tariff revisions (T-89-318) to establish a Billing Validation Data License Service (BVDLS). Billing Validation data is the raw data that is used to validate calls, including such information as whether a credit card number or telephone number is valid for billing purposes. The tariff revisions propose to include the following in the raw data to be delivered to a subscriber: Southern Bell calling card number records; billing number screening records; local exchange company (LEC) pay telephone records; and nonLEC pay telephone (PATS) records.

The Company has specified the terms and conditions under which it shall license the data in Section E8.7.1 of the tariff. Limitations to the Company's liability are delineated in Section E8.7.2. The obligations of the subscriber are outlined in Section E8.7.3. We have reviewed these provisions and find them to be appropriate and reasonable.

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As to the rates and charges, we have previously ordered that the rates be set at cost. See Order No. 21052, issued April 14, 1989. This at cost requirement differs from our regular policy of cost plus appropriate contribution in an effort to let Southern Bell's tariff easily mesh with its interstate contractual offering. Southern Bell's interstate offering must comply with the requirement set by U.S. District Judge Harold Greene in United States v. Western Electric Company, Inc., 698 F. Supp 348 (D.D.C. 1988), that price, terms, and conditions be no less favorable than those provided to AT&T Communications of the Southern States, Inc. (ATT-C). ATT-C essentially receives the data at cost.

Southern Bell has attempted to model the rates for BVDLS after the Shared Network Facilities Agreement (SNFA) under which ATT-C receives billing validation. The estimated tariff rates assume there will be two subscribers, ATT-C and another interexchange carrier (IXC), because Southern Bell believes this is a reasonable estimate of demand for BVDLS. The tariff also states that the estimated rates are subject to change should it become necessary for the Company to accommodate subscriber demand and cost different from that which it has filed with us. Assuming that two customers subscribed to BVDLS, the proposed estimated rates are: a \$16,440 monthly recurring service establishment fee and a \$54,546 monthly license fee. The establishment fee is spread over the proposed twenty four (24) month life of the tariff and is charged monthly because of its size. The tariff includes a provision for an annual true up calculation, along with a supplementary billing which will reflect either an additional amount due or a credit to the subscriber's account, as appropriate. It should be noted that the monthly license fee is based upon current ATT-C usage levels and would be charged to both ATT-C and the other subscribing IXC. The service establishment fee, however, will not be charged to ATT-C because ATT-C has already established service under the SNFA and received the existing data base at divestiture.

Southern Bell has proposed spreading the costs of BVDLS over a twenty four (24) month period because they intend to discontinue BVDLS when the Company's line information data base (LIDB) is operational. We have concerns about allowing the Company to recover the entire cost of the service over such a shortened time frame. While such a step might be appropriate to insure that the general body of ratepayers does not bear the risk for this service, at the same time, such a methodology

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results in extremely high rates that may discourage potential customers from subscribing. Yet still, we believe it is more appropriate to recover the costs from those who subscribe to the service rather than from the general body of ratepayers. To date, this shortened time frame has been a staff concern only; no potential subscribers have raised the issue to us. Therefore, in the absence of any such expressed concern, we will accept this methodology. Further, we find the proposed rates to be appropriate and in compliance with our directive in Order No. 21052.

In Section E8.7 of the proposed tariff, the Company has included the following statement:

Billing Validation Data License Service is an interim method of providing Calling Card validation capability. Billing Validation Data License Service will be terminated December 31, 1991, at which time the Company will make alternative methods of Calling Card Validation available to Subscribers. At that time the Company will no longer provide billing validation data directly to Subscribers for the purpose of data base creation.

We do not believe this provision is appropriate. Southern Bell argues that BVDLS will no longer be a legal requirement once LIDB is on line and the SNFA expires. That is true, under Judge Greene's Order. But the discussion does not end there. This Commission has jurisdiction over intrastate services and is free to require continuation of BVDLS or BVS (billing validation service - the per query validation method), even after LIDB is on line and the SNFA has expired, should we find such action to constitute sound regulatory policy. We recognize, however, that there may be well founded reasons to discontinue BVDLS in the future. Therefore, Southern Bell is ordered to refile its tariff to delete this provision in Section E8.7. The tariff shall be refiled by December 26, 1989, to become effective January 1, 1990. We will reevaluate the tariff in eighteen (18) months. Depending upon conditions at that time, it may be appropriate to discontinue BVS or BVDLS, or to revise the rates, to perhaps include contribution. The Company shall continue to work with our staff in providing the information needed to perform such a reevaluation.

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Finally, the Company has interpreted our resale requirement to mean that BVDLS is offered to a subscriber to create its own validation data base and that access to that data base may only be offered by the subscriber to other certificated IXCs or PATS providers, and only on an on-line per query basis. While we did not elaborate in Order No. 21052, we find the Company's interpretation to be appropriate and consistent with our underlying policy concerns.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff revisions (T-89-318) filed by Southern Bell Telephone and Telegraph Company on June 14, 1989, to establish a Billing Validation Data License Service are hereby approved with an effective date of January 1, 1990, provided that the tariff is refiled by December 26, 1989, in accordance with the terms set forth herein. It is further

ORDERED that these dockets shall remain open.

By ORDER of the Florida Public Service Commission  
this 10th day of JANUARY, 1990.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ABG

by: Kay Flynn  
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.