

VOTE SHEET

DATE: May 6, 1997

RE: DOCKET NO. 970274-TP - Flow-through of 1997 LEC switched access reductions by IXC's, pursuant to Section 364.163(6), F.S.

Issue 1: When should LECs be required to file tariffs for their annual 5 percent switched access reduction, and when should the applicable IXC's be required to file their tariffs that flow through this reduction?  
Recommendation: The following five LECs -- ALLTEL, Frontier, GTEFL, Sprint (Centel and United), and Vista-United -- should be required to file their tariffs no later than August 1, 1997, to become effective October 1, 1997. All applicable IXC's should be required to file their tariffs no later than September 2, 1997, to become effective October 1, 1997.

(Continued to next page)

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*Joe Marcus*  
*James Clark*  
*[Signature]*  
*[Signature]*  
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REMARKS/DISSENTING COMMENTS:

(Continued from previous page)

Issue 1: (Continued)

Each LEC's tariff filing must include a calculation of its current intrastate composite switched access rate per minute. This rate should be calculated using the same methodology that the LEC used to calculate its intrastate composite switched access rate and its December 31, 1994 interstate composite switched access rate, both provided in its October 1, 1996 filing. The tariff filing should also include a demonstration that the LEC's intrastate switched access rate reductions satisfy the requirements of Section 364.163(6), F.S.

If a 5 percent reduction would take a LEC's intrastate rate below its December 31, 1994 interstate rate, the LEC should only reduce its intrastate rate by the percent required to bring its intrastate rate into parity with its December 31, 1994 interstate rate.

The IXC tariffs must include: 1) a calculation of the dollar benefit associated with the LECs' intrastate switched access rate reductions, and 2) a demonstration that customer long distance rates have been reduced by the estimated dollar benefit. A sample worksheet (Attachment A) is attached to staff's April 24, 1997 memorandum. Percentage reductions may vary by long distance service, but must yield the required overall reduction.

**Modified** *Approved as modified. Staff was directed to report by 10/1/97 which companies have completed flow through and when the flow through was completed. It appears that the Commission does not have authority to require flow through, but it is strongly encouraged.*

Issue 2: What portion of BellSouth's March 1, 1997 intrastate switched access rate reductions should be flowed through by the IXCs? When should the reductions be flowed through by the IXCs?

Recommendation: The IXCs should be required to flow through only that amount of BellSouth's March 1, 1997 intrastate switched access rate reduction that brought BellSouth's intrastate composite switched access rate to parity with its December 31, 1994 interstate composite rate. The reduction that brought BellSouth's intrastate composite switched access rate into parity with its December 31, 1994 interstate composite switched access rate was 2.7 percent. The timing of the flow through should be the same as the timing recommended in Issue 1, i.e., the IXCs should be required to file their tariffs no later than September 2, 1997, to be effective October 1, 1997.

**APPROVED**

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Issue 3: When an IXC calculates its required flow-through, should there be a dollar amount below which an IXC is not required to flow through switched access rate reductions? If so, what should the amount be?

Recommendation: Yes. When the total dollar amount of an IXC's flow-through rate reduction reduces the IXC's expenses by \$100 or less per month, the IXC should not be required to flow through this amount.

**MODIFIED** *Approved with the addition of the sentence, "All applicable IXCs should be required to submit the completed worksheet that is attached to staff's recommendation dated 4/24/97."*

Issue 4: Should this docket be closed?

Recommendation: No. This docket should remain open to handle any protests filed in response to the order from this recommendation and any subsequent tariff filings necessary to ensure compliance with Section 364.163(6), F.S., for the year 1997. If a protest is filed within 21 days from issuance of the order from this recommendation, and the protest is unresolved, the tariffs should be filed as ordered. Those tariffs, filed in response to Section 364.163(6), Florida Statutes, which are effective October 1, 1997, should remain in effect pending resolution of any protest.

**APPROVED**