BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff by ATT-C) to implement state calling service)

DOCKET NO. 900609-TI ORDER NO. 23311 ISSUED: 8-7-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman THOMAS M. BEARD BETTY EASLEY GERALD L. GUNTER FRANK S. MESSERSMITH

ORDER ATT-C'S TARIFF TO PROVIDE STATE CALLING SERVICE

BY THE COMMISSION:

On June 8, 1990, AT&T Communications of the Southern States, Inc. (ATT-C) filed a tariff proposal to offer a State Calling Service (SCS). SCS is an intrastate switched telecommunications service furnished only to state and local governments who subscribe to ATT-C's interstate State Calling Service from ATT-C's Tariff FCC No. 16, Option 10. This tariff is submitted as an add-on to an analogous interstate tariff. SCS will permit interactive communications between stations located within the State of Florida and will be available under two options.

SCS Option I provides calling from stations on or off the customer's network in Florida to other locations in Florida and is available via three schedules: Schedule A, which allows calling from two stations over local exchange service switched access lines; Schedule B, which allows traffic between two stations, one of which is accessed by local exchange service switched access; and Schedule C, which provides for usage between two stations which are both on the customer's SCS network and use special access lines. Option I is provided in the same manner as ATT-C's Software Defined Network Service (SDN). This option is only available from ATT-C offices which offer SDN service.

SCS Option II provides only outward calling to stations throughout Florida from ATT-C offices designated to provide ATT-C MEGACOM Service.

Since the service is an add-on to interstate State Calling Service, all terms and conditions described in ATT-C Tariff FCC No.

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16, including installation and monthly charges, will apply. Florida intrastate usage will be billed at rates listed in ATT-C Custom Network Services Tariff.

The rates and rate structure appear to be reasonable. The rate structure appears to adequately reflect peak and off-peak costs. The rates appear to reasonably reflect the differences in the access costs associated with the different types of access utilized for interconnection. In addition, the information submitted by the Company indicates that access charges are covered in the aggregate.

An initial concern with this filing was whether limiting this service solely to governmental entities may be unreasonably discriminatory. According to the Company there does not appear to be any specific cost savings or efficiencies associated with state and local governments. The Company claims that this offering is merely a competitive response to increased competition.

While these rates do single-out state and local government for special treatment, there is something to be said from a public good perspective for offering lower rates to state and local governments. Governments are not in competition with other governments in the way that businesses compete with other businesses. Governments possess some special attributes which separate them from business and other large institutional users. Perhaps the most important from the perspective of the rate setting in the public interest is the limited nature of government budgets. Particularly over the last decade, municipal budgets have been strained with increasing demands for spending. It appears reasonable to grant governments a form of rate relief when it is offered.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc.'s tariff filing to offer State Calling Service is approved as set forth in the body of this Order. It is further

ORDERED that this docket be closed.

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By ORDER of the Florida Public Service Commission, this <u>7th</u> day of <u>AUGUST</u>, <u>1990</u>.

> STEVE TRIBBLE, DIRECTOR DIVISION OF RECORDS AND REPORTING

(SEAL)

by: Kay High 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 NO. 23311 DOCKET NO. 900609-TI PAGE 4

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.