



Public Service Commission

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RECORDS AND REPORTING
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DATE: NOVEMBER 4, 1999

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

FROM: DIVISION OF COMMUNICATIONS (HAWKINS, ADDU) *fy for*
DIVISION OF LEGAL SERVICES (STERN) *BK for MS BH* *JW*

RE: DOCKET NO. 991653-TL - REQUEST FOR APPROVAL OF TARIFF FILING TO ADD NATIONAL DIRECTORY ASSISTANCE TO SERVICE OFFERINGS BY QUINCY TELEPHONE COMPANY D/B/A TDS TELECOM/QUINCY TELEPHONE.

AGENDA: 11/16/99 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\991653.RCM

CASE BACKGROUND

On September 20, 1999, Quincy Telephone Company d/b/a TDS Telecom (TDS) filed a tariff to add National Directory Assistance (NDA) to its service offerings. TDS' proposed service offering will allow a customer access to telephone numbers of individuals or businesses who are located throughout the United States by dialing a single number. This service is in addition to the current Local Directory Assistance Service. Through this tariff filing, TDS is seeking to change the local Directory Assistance (DA) dialing pattern from 411 to 1-411 and to use 411 as the means for accessing the new NDA service.

This is staff's recommendation on this tariff filing.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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ISSUE 1: Should the Commission approve the tariff filing by TDS to add National Directory Assistance?

RECOMMENDATION: No. The Commission should not approve the tariff filing by TDS to add National Directory Assistance. (HAWKINS, AUDU)

STAFF ANALYSIS: In FCC Order 99-133, issued in Docket No. 97-172, FCC Declaratory Ruling on U S WEST Communications, Inc.'s Petition Regarding the Provision of National Directory Assistance and U S WEST Communications, Inc.'s Petition for Forbearance, the FCC explains that:

There are two types of directory assistance service available to customers throughout the United States: local directory assistance service and non-local directory assistance service. Directory assistance service is considered "local" whenever a customer requests the telephone number of a subscriber located within his or her LATA or area code. Local directory assistance typically is provided by a customer's local exchange carrier (LEC)...Currently, most customers dial 411, 1-411, or 555-1212 to access their LEC's local directory assistance service. (99-133, ¶5)

On September 20, 1999, TDS filed a tariff to add NDA and to change the dialing pattern for local DA to 1-411. TDS states that it currently operates 107 small local exchange companies in 28 states and in preparing to offer NDA, the company analyzed the local Directory Assistance (DA) dialing patterns for all of its local companies. TDS selected the 411 dialing pattern for NDA, because it is currently used the least for local DA among all TDS companies throughout the country. The company believes that other dialing patterns, such as 1-411, 555-1212 and various other patterns are much more prevalent for local DA. According to TDS, currently, its Florida customers can access local DA by dialing 411 and are provided three free DA calls. The company also states that all DA calls above the three call allowance are billed at \$.25 per call. With this proposed tariff change, TDS subscribers will be able to dial 411 to access both local and long distance numbers through NDA at a rate of \$.65 per call. A customer may request a maximum of two telephone numbers per call. No call allowances or exemptions are available for customers when they use this service.

TDS further states that less than 17% of their local exchange companies nationally use 411 for local DA and over 48% of the company's local exchange companies use 1-411 for local DA.

Therefore, TDS believes using the 411 dialing pattern for NDA will minimize any possible customer confusion.

In order to introduce this new service, the company will send notification to any and all customers whose local dialing pattern will be affected by NDA. The notification will explain the new NDA service and explain that their DA service is still available, but with a new or additional dialing pattern. TDS asserts that it will use other advertising to educate and promote the new NDA service by changes to telephone directories, press releases, mail-outs of postcards with 411 stickers, banners at local companies, 411 name tags for local telco customer service representatives, stories in residential and small business newsletters about NDA and the change in the local DA dialing pattern, and bill inserts.

Upon implementation of its NDA service, TDS indicates that it will give a one-time credit to any caller who disputes the NDA charge on their bill because they thought they were calling local DA. Staff does not, however, believe this is a viable solution since the customer confusion could extend beyond the first time a customer is billed for the NDA service.

In Docket No. FCC 97-51, In the Matter of The Use of N11 Codes and Other Abbreviated Dialing Arrangements, the FCC considered the expanded use of the 411 abbreviated dialing for other information services besides local directory assistance. However, the FCC concluded that "... , we find continued use of 411 to call local directory assistance services justified by public convenience and necessity. Accordingly, ... , we do not alter the assignment of the 411 code." (97-51, ¶47) While the FCC's finding did not foreclose the use of other abbreviated dialing patterns for local DA, one can infer by the FCC's statements that they favor the continued use of 411 for local DA service.

While this Commission has approved NDA filings in the past, the difference in those dockets was that local DA could still be accessed by dialing 411. TDS' filing proposes to change this nationally-recognized dialing pattern and use 1-411 to access local DA. Staff is concerned that Quincy's designation of 411 for NDA and 1-411 for local DA potentially leverages customers' existing familiarity with 411 to advantage the company. This designation allows Quincy to charge the customer for the dialing pattern as opposed to the information requested. Staff believes that this is not consistent with prior Commission Orders that have allowed other incumbents to charge the customer based on the information requested, rather than the dialing pattern.

Further, Section 364.09, Florida Statutes, states:

A telecommunications company may not directly or indirectly, or by any special rate, rebate, drawback, or other device or method, charge, demand, collect, or receive from any person a greater or lesser compensation for any service rendered or to be rendered with respect to communication by telephone or in connection therewith, except as authorized in this chapter than it charges, demands, collects, or receives from any other person for doing a like and contemporaneous service with respect to communication by telephone under the same or substantially the same circumstances and conditions.

Staff believes that if TDS is allowed to implement its proposed NDA service as filed, the Commission will effectively be granting TDS the authority to charge customers different amounts for the same service rendered, simply because of the dialing patterned utilized. Currently, a TDS customer dials 411 for local DA service. However, if TDS is allowed to implement its proposed NDA, a customer who dials 411 for a local DA listing will be charged \$0.65 for NDA service while another customer who dials 1-411 for the same local DA listing will either (1) not be charged, provided the customer has not exceeded the three call allowance or (2) be charged \$.025. Staff notes that the only difference between these two customers is the dialing pattern used to access local DA. Staff believes that this scenario is likely to occur and is in direct violation of Section 364.09, Florida Statutes.

Based on the above arguments, staff recommends that this proposed tariff be denied because it is not consistent with the Commission's previous approval of NDA requests and appears to be in violation of Section 364.09, Florida Statutes.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves the recommendation in Issue 1 and if no timely protest is filed within 21 days from the issuance of the Order, this docket should be closed.

STAFF ANALYSIS: If the Commission approves the recommendation in Issue 1, and if no timely protest is filed, this docket should be closed.