SEPTEMBER 21, 2004

RE: Docket No. 030300-TP - Petition for expedited review of BellSouth Telecommunications, Inc.'s intrastate tariffs for pay telephone access services (PTAS) rate with respect to rates for payphone line access, usage, and features, by Florida Public Telecommunications Association.

Issue 1(a): Has BellSouth reduced its intrastate payphone line rates by the amount of the interstate end user common line charge (EUCL)? If not, has BellSouth ceased charging the EUCL on payphone lines? Recommendation: Yes. BellSouth reduced its intrastate payphone line rates by the amount of the interstate EUCL with the filing of a revision to its General Subscriber Services Tariff (GSST), Section A7.4, on October 27, 2003. This reduction became effective on November 10, 2003.

APPROVED

COMMISSIONERS ASSIGNED: Deason, Bradley, Davidson

COMMISSIONERS' SIGNATURES MAJORITY DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER - DATE

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<u>Issue 1(b)</u>: As of what date was BellSouth required to reduce its intrastate payphone line rates by the amount of interstate EUCL?

<u>Recommendation</u>: There was no date-specific requirement for BellSouth to reduce its intrastate payphone line rates by the amount of the interstate end-user common line charge (EUCL). Any reductions must occur on a going-forward basis when the Commission reviews a BOC's payphone line rates for NST compliance, as it is doing here for BellSouth.

APPROVED

<u>Issue 1(c)</u>: Can the FPSC order refunds to <u>FPTA's members all payphone service providers</u> for the time period bracketed between (a) and (b)? If so, what is the amount of any required refunds and how should any refunds be effected?

Recommendation: Staff recommends that between April 15, 1997 and November 10, 2003, the rates charged by BellSouth to the PSPs were legally sustainable and were consistent with BellSouth's tariffs and controlling orders of this Commission. Further, staff believes that ordering refunds would be the equivalent of retroactive ratemaking, a practice prohibited by prevailing law. Accordingly, staff believes this Commission should not order refunds to PSPs for that time period. Therefore, this Commission need not determine amounts or how any refunds should be effected.

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<u>Issue 2</u>: In Docket No. 970281-TL, PAA Order No. PSC-98-1088-FOF-TL, issued on August 11, 1998, this Commission determined BellSouth's intrastate payphone rates to be in compliance with the FCC's "new services" test.

- (a) Are BellSouth's intrastate payphone rates no longer compliant with the new services test? If so, when did they become noncompliant?
- (b) If BellSouth's intrastate payphone rates are not compliant with the new services test, at what rate levels will BellSouth's intrastate payphone rates comply with the new services test?

<u>Recommendation</u>: BellSouth's rates remain compliant with the new services test; however, staff recommends that BellSouth's overhead factor be reduced to 30.21%. A revised tariff, and all supporting documentation demonstrating the changes made, should be filed within 30 days of the issuance of the order.

APPROVED

<u>Issue 2(c)</u>: Can this Commission order BellSouth to revise its intrastate payphone rates? If so, as of what date should any such rate changes be effective?

<u>Recommendation</u>: Yes. This Commission can order BellSouth to revise its intrastate payphone rates. If it does order BellSouth to revise its intrastate payphone rates, any revised tariffs and all supporting documentation should be filed within 30 days of the issuance of the order. Those changes would be non-basic rate changes and would go into effect on 15 days' notice per Section 364.051(5), Florida Statutes.

APPROVED

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<u>Issue 2(d)</u>: If BellSouth's payphone rates became noncompliant with the new services test, can the FPSC order refunds to <u>FPTA's members all payphone service providers</u> for the time period from when they became noncompliant to the date identified in Issue 2(c)? If so, what is the amount of any required refunds and how should any refunds be effected?

<u>Recommendation</u>: Staff recommends that BellSouth's rates never became noncompliant during the subject time period. Accordingly, staff believes this Commission should not order refunds to PSPs for that time period. As such, this Commission need not determine amounts or how any refunds should be effected.

APPROVED

<u>Issue 3</u>: Should this docket be closed?

Recommendation: If BellSouth is ordered to make staff's recommended changes in Issues 2(a) and (b), this docket should remain open until BellSouth files a revised tariff and provides staff with documentation demonstrating the changes made. Any revised tariffs and all supporting documentation should be filed within 30 days of the issuance of the order and the docket closed administratively. If the Commission disagrees with staff's recommendation in Issues 2(a) and (b), this docket may be closed.

APPROVED