

BEFORE THE
MISSISSIPPI PUBLIC SERVICE COMMISSION

In Re: Order of the Mississippi
Public Service Commission
establishing a Docket to consider
competition in the provision of
local telephone service

Docket No. 95-UA-358
Subdocket: Entry

ORDER

The Federal Telecommunications Act of 1996 has resolved the issue of whether there will be competition in the provision of local telephone service. Therefore, this Docket now shifts emphasis to one considering implementation of competition in the provision of local telephone service.

To that end, the Mississippi Public Service Commission (“Commission” or “MPSC”) issues this Order to establish a subdocket to consider the entry requirements for applicants who wish to provide local telephone (i.e., local exchange) services.

The Commission attaches hereto Exemplar Entry Rules for Local Exchange Telephone Competition. This Exemplar is tendered merely as a starting point for discussion on this issue.

IT IS, THEREFORE, ORDERED:

1. That all parties to the original Docket 95-UA-358 are hereby parties to this subdocket without the need for further intervention.

2. That this sub-docket is to consider the entry requirements for applicants who wish to provide local telecommunications services.

3. That the Executive Secretary of the Commission is directed to serve a copy of this Order and the attached Exemplar on all parties in Docket 95-UA-358.

4. That all parties desiring to file testimony or comments on the attached Exemplar shall do so on or before the 7th day of May, 1996.

5. That this sub-docket is made returnable to Docket Day, 10:00 a.m., May 7, 1996 at which time the Commission will discuss dates for a hearing.

SO ORDERED on this the 23rd day of April, 1996. Chairman Nielsen Cochran voted aye; Vice-Chairman Bo Robinson voted aye; Commissioner Curt Hebert voted aye.

MISSISSIPPI PUBLIC SERVICE COMMISSION

Nielsen Cochran, Chairman

Bo Robinson, Vice Chairman

Curt Hebert, Commissioner

ATTEST: A True Copy

Brian U. Ray
Executive Secretary

EXEMPLAR ENTRY RULES FOR LOCAL EXCHANGE TELEPHONE COMPETITION

1. Definitions.

The following words and terms, when used in this docket, shall have the following meanings unless the context clearly indicates otherwise:

'Incumbent local exchange telephone company or 'incumbent' means a public service company providing local exchange telephone service in Mississippi on February 8, 1996, pursuant to a certificate of public convenience and necessity.

'Local exchange carriers' means all certificated providers of local exchange telephone service, whether incumbents or new entrants.

'New entrant' means an entity certificated to provide local exchange telephone service in Mississippi after February 8, 1996. An incumbent local exchange telephone company shall be considered a new entrant in any territory for which it obtains a certificate to provide local exchange service on or after February 8, 1996, in accordance with these rules and which is outside the territory it is certificated to serve as of February 8, 1996.

2. Certification requirements.

A. An original and 14 copies of an application for a certificate of public convenience and necessity shall be filed with the Executive Secretary of the Commission.

B. Notice of the application shall be given by the applicant to all local exchange carriers in the applicant's proposed service territory. The Executive Secretary of the Commission shall publish notice in a newspaper having general circulation in the proposed service territory as required by law and regulation.

C. The application shall identify the applicant including (i) its name, address, and telephone number; (ii) the name, address, and telephone number of its corporate parents, if any; (iii) a list of its officers and directors or, if the applicant is not a corporation, a list of its principal; (iv) the names, addresses, and telephone numbers of its legal counsel and; (v) any other identifying information the Commission determines to be necessary.

D. Each incorporated applicant shall demonstrate that it is authorized to do business

in the State of Mississippi.

E. Applicants shall be required to show their financial, managerial, and technical ability to render local exchange telephone service.

1. As a minimum requirement, a showing of financial ability shall include the applicant's most recent audited financial statements, most recent stockholders annual report and most recent SEC Form 10-K if the company is publicly traded.

2. To demonstrate managerial experience, each applicant shall attach a brief description of its history of providing telecommunications or other relevant services, if any; shall list the geographic areas in which it has and is currently providing service; and shall list the experience of each principal officer.

3. The applicant shall demonstrate its technical ability by attaching a description of its experience in providing telecommunications or other relevant services, if any, or the applicant may provide other documentation which supports its technical abilities.

F. Each application for a certificate to provide local exchange service shall include the applicant's initial tariffs, which shall include rules, regulations, terms, and conditions. Applicants that desire to have any of their services deregulated or detariffed shall file such a proposal in accordance with Section 4 of this regulation.

G. The applicant shall file maps or other acceptable documents with the application for certification in sufficient detail to designate the actual geographic area or areas to be served. Such maps shall also identify each proposed initial local calling area of the applicant.

H. Each application shall include the applicant's proposed form of regulation for its services if such form of regulation differs from that set forth in Section 4 herein.

I. The applicant shall file a list of states where applicant is authorized to provide local exchange telephone service and a list of states where applicant has been denied authority to provide any telecommunications service.

3 Conditions for certification.

A. in the public interest evaluation of the applicant's request for a certificate to

provide local exchange service, the Commission will, at a minimum, require a new entrant, either directly or through arrangements with others, to provide the following:

1. Access to 911 and E911 services;
2. White r)age directory listings;
3. Access to telephone relay services;
- 4- Access to directory assistance;
5. Access to operator services;
6. Equal access to interLATA long distance carriers;
7. Free blocking of 900- and 700-type services so long as the same requirements applies to incumbent local exchange companies; and
8. Interconnection on a nondiscriminatory basis with other local exchange companies.

B. To the extent economically and technically feasible, the new entrant should be willing and able to provide service to all customers in the same service classification in its designated geographic service area in accordance with its tariff offerings.

C. The new entrant shall have internal procedures to prevent deceptive and unfair marketing practices.

D. The new entrant shall have internal procedures to handle complaints, including quality of service complaints.

E. The new entrant shall report all complaints (including, but not limited to, complaints relating to deceptive and unfair marketing practices and quality of service complaints) to the Commission on a quarterly basis.

F. The new entrant shall comply with applicable Commission service and billing standards or rules.

G. The new entrant shall, at a minimum, comply with the applicable intraLATA access requirements of incumbent local exchange telephone companies.

4. Rate regulation of new Entrants providing local orange telephone service.

A. Unless otherwise allowed by the Commission, tariffs are required for all local exchange service offerings except those that are comparable to 'Competitive' offerings of the incumbent telephone company that do not require tariffs. The Commission may convene a hearing to determine the applicable requirements and classification of any new entrant's local exchange service offerings.

B. The new entrant may petition the Commission to consider deregulation or detariffing treatment for any of its specific service offerings.

C. Unless otherwise allowed by the Commission, prices for local exchange services provided by the new entrant shall not exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas. Tariff changes within this price ceiling plan shall be implemented as follows:

1. Price decreases shall become effective on one-day notice to the Commission.

2. Price increases below ceiling rates shall become effective after 30-days notice is provided to the Commission, and notice to customers as provided by rule.

3. Price ceilings shall be the highest tariffed rates as of February 8, 1996, for comparable services of any incumbent local exchange telephone company or companies serving within the certificated local service area of the new entrant. Price ceilings shall be increased as the highest tariffed rate of an incumbent is raised through applicable regulatory procedures.

Unless otherwise determined by the Commission, price decreases for an incumbent's service, whether initiated by the carrier or adopted by the Commission, shall not require a corresponding decrease in the price ceilings applicable to the new entrant.

4. The Commission may permit pricing structures or rates of a new entrant's local exchange Services that do not conform with the established price ceilings, unless there is a showing that the public interest will be harmed.

5. These pricing requirements shall not apply to a new entrant's services that:
(I) are comparable to services classified as competitive for the incumbent or (ii) have been

provided regulatory treatment different from that specified by these rules.

D. Services offered by the new entrant that are not comparable to services offered by the incumbent and for which the Commission has not provided regulatory treatment different from that specified by these rules shall be filed with 30-days notice to the Commission. Price decreases for these services shall become effective on one-day notice to the Commission. Price increases shall become effective after 30-days notice to the Commission and notice to customers in the manner prescribed by rule.

E. A new entrant may submit an alternative regulatory plan to that described in this section for the Commission's consideration in the applicant's certification proceeding or at a later date.

F. No form of earnings regulation shall be required for the regulation of new entrants. However, new entrants shall be required to file financial and other reports as identified in Section 5 of this regulation to enable the Commission to evaluate the effectiveness of local exchange telephone competition.

G. No new entrant providing local exchange telephone service shall abandon or discontinue local exchange service except with the approval of the Commission, and upon such terms, and conditions as the Commission may prescribe.

H. Should the Commission determine that the form of regulation of new entrants does not effectively, or is no longer necessary to, regulate the prices of their services, it may modify the form of regulation.

5. Financial and reporting requirements for new entrants.

A. All providers of local exchange telephone service certificated herein shall be required to file the following reports with the Commission's Executive Secretary and the Executive Director of the Public Utilities Staff.

1. Annual report on the number of access lines by local exchange area and classified by residential and business lines.

2. Annual price list for all detariffed competitive local exchange telephone

services provided by the applicant.

3. Quarterly statement of units and revenues for all competitive telephone services provided by the applicants 4. Audited financial statements, stockholders annual report, SEC Form 10-K and FCC Form M for the parent company and the new entrant, if available.

B. A new entrant shall be required to remit the telecommunications relay surcharge amount as provided by Commission order.

C. Any expansion or reduction of the geographic service area of a new entrant that does not involve an expansion of the territory covered by an existing certificate shall require the filing of amended maps or other acceptable documentation with the Commission's Division of Communications.

D. Upon request of the Public Utilities Staff, any new entrant shall file such other information with respect to any of its services or practices as may be required.

E. A new entrant, determined by the Commission to have a monopoly over any of its services, shall file annual data to demonstrate that its revenues from local exchange telephone services cover the long run incremental costs of such local exchange telephone services in the aggregate.

6. Interconnection, Resale, Number Portability, Dialing Parity, Access to Right-s-of-Way, Reciprocal Compensation, Unbundled Access, and Collocation.

All of the above issues will be handled initially through negotiation pursuant to the "Telecommunications Act of 1996".

7. Universal service.

The goals of universal service and affordability of basic local exchange telephone service need to be maintained in a competitive local exchange environment for the citizens of Mississippi. The Commission may, if necessary, establish a Universal Service Fund and applicable payment mechanism. Any such Fund shall require the participation and support of all local exchange carriers. The Commission will address this issue in a subsequent sub-docket.