

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 9, 1997

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION CASE NO. PUC970009

Ex Parte: Implementation of IntraLATA Toll Dialing Parity pursuant to the provisions of 47 U.S.C. § 251(b)(3)

ORDER ESTABLISHING REQUIREMENTS AND CONDITIONALLY APPROVING PLANS  
Section 251(b)(3) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 251(b)(3), requires all local exchange telecommunications carriers to furnish dialing parity to competing providers of exchange and toll telephone services.

On August 8, 1996, the Federal Communications Commission ("FCC") issued its Second Report and Order and Memorandum Opinion Order in CC Docket No. 96-98, In the matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 ("Dialing Parity Order"). The Dialing Parity Order establishes an implementation timetable for local exchange carriers ("LECs") to provide intraLATA and interLATA dialing parity no later than February 8, 1999. In addition, the Dialing Parity Order requires LECs, including Bell Operating Companies ("BOCs"), to provide intraLATA toll dialing parity in a state coincident with the provision of interLATA toll service within that state. However, a grace period was granted to LECs that provide interLATA toll services prior to August 8, 1997. These LECs are not required to implement intraLATA toll dialing parity until August 8, 1997.

Further, the Dialing Parity Order requires LECs to submit to the appropriate state commission their plans for implementing toll dialing parity in that state. The FCC stated in its Order that the states were best able to evaluate the LECs' implementation plans. The FCC ordered, at 38, that any toll dialing parity

plan must contain detailed implementation information, including the proposed date for dialing parity implementation for that [sic] exchange that the LEC operates in each state, and the method it proposes for enabling customers to select alternative providers of telephone service. For a LEC other than a BOC, the plan also must identify the LATA with which the LEC proposes to associate.

On May 28, 1996, GTE South, Inc. ("GTE") filed a proposed implementation schedule and tariffs for intraLATA equal access service. On December 4, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA"), United Telephone-Southeast, Inc., Central Telephone Company of Virginia, ("United/Centel"), TCG Virginia, Inc. ("TCG") and MFS Intelenet of Virginia, Inc. ("MFS") filed intraLATA toll dialing plans pursuant to the requirements of the FCC Dialing Parity Order. On December 6, 1996, GTE filed a revised implementation schedule pursuant to the requirements of that Order. In addition, dialing parity plans were filed by Citizens Telephone Cooperative ("Citizens") on February 27, 1997, CFW Telephone Company ("CFW") on April 14, 1997, and R&B Telephone Company on April 22, 1997. Pursuant to the Commission's order of February 6, 1997, the Division of Communications published newspaper notice inviting comments about the implementation of dialing parity on or before February 28, 1997. That order directed that any reply comments be filed on or before March 10, 1997, and a Staff report be submitted on or before April 2, 1997. Initial comments were received from two individuals generally supporting intraLATA competition and from seven carriers; i.e., GTE, United/Centel, MFS, Virginia Telecommunications Industry Association, Cox Fibernet Commercial Services, Inc. ("Cox"), AT&T, and MCI. Reply comments were submitted by BA-VA, GTE, United/Centel, and Cox.

The LEC's plans, comments and replies were summarized and evaluated in the Staff report filed April 2, 1997. Comments were invited concerning the Staff report and were received from BA-VA, GTE, United/Centel, AT&T, MCI, Citizens, and CFW.

Having considered the Act, the FCC's Dialing Parity Order, the Staff report, and comments and replies filed herein, the Commission has determined that intraLATA dialing parity should be implemented in the manner proposed by the Staff with one exception. As recommended by the Staff, the Commission has determined that recovery of LATA equal access incremental costs shall be shared proportionately among intraLATA providers on the basis of total intraLATA minutes. However, we will allow the intraLATA

market to develop for one year before a LEC may begin cost recovery, instead of the 90 to 180 days recommended by the Staff. In addition, GTE and United/Centel are provided with a limited waiver for carrier notification and shall provide at least 30 days notice to carriers prior to implementing intraLATA equal access by end office in order to meet their proposed implementation schedules. The Commission adopts the remainder of the Staff report's recommendations including establishing an administrative procedure for filing and reviewing subsequent LEC intraLATA dialing plans. Attachment 1 sets forth the minimum standards and other guidelines the LECs must follow in implementing intraLATA presubscription in Virginia. Accordingly,  
IT IS THEREFORE ORDERED THAT:

- (1) LECs shall implement their dialing parity plans in accordance with the requirements stated above and in Attachment 1 appended hereto.
- (2) Conditioned upon modifications to comply with Attachment 1 and other specific Staff recommendations, the plans submitted by GTE, United/Centel, BA-VA, MFS, and TCG are approved.
- (3) The plans of CFW, Citizens Telephone Cooperative, and R&B; Telephone Company and other plans submitted hereafter will be evaluated as an administrative procedure by the Division of Communications. Any such filings must conform to the minimum requirements set out in Attachment 1.
- (4) This Order and Attachment 1 shall be sent forthwith to the Registrar of Regulations for appropriate publication in the Virginia Register.
- (5) This case is continued generally.

**Attachment 1 Guidelines and Minimum Standards for LEC IntraLATA Toll Dialing Parity Plans Case No. PUC970009**

**1. Presubscription**

A full 2-PIC method will be utilized by the LEC. This allows customers to presubscribe to different carriers for their intraLATA and interLATA toll calling. The Commission may consider other presubscription methodologies upon motion of any party or its own motion.

**2. Carrier Selection Procedures**

Allocating and balloting customers for intraLATA toll presubscription is not required. A LEC may retain its existing customers that do not affirmatively choose to change intraLATA toll carriers. A LEC, however, may not automatically assign intraLATA service for new customers to itself or to the customer's preferred interLATA carrier.

**3. Customer Notification**

A LEC must provide customer notice of the availability of intraLATA equal access in their exchange area at least 30 days prior to implementation. The LEC shall submit a copy of its proposed customer notice to the Commission Staff and IXC's in Virginia at least 30 days prior to the proposed mailing to customers. The Staff will evaluate such notice and its format through its administrative capacity.

**4. Carrier Notification**

A LEC shall provide at least 60 days notice to IXC's prior to implementing intraLATA equal access by end office.

**5. PIC Grace Period**

A LEC shall provide an initial grace period for existing customers to choose an intraLATA carrier without a charge. A minimum period of 90 days is established from the LEC's implementation of intraLATA equal access for an existing customer's free PIC. A LEC may propose a longer PIC grace period.

**6. PIC Freeze**

A LEC may provide an intraLATA PIC freeze option to requesting customers once intraLATA equal access has been implemented. A LEC shall not market or actively offer such an intraLATA PIC freeze in the first 90 days after intraLATA equal access conversion.

**7. LEC Filings**

A LEC shall file its intraLATA dialing plan with the Division of Communications at least 90 days prior to the proposed implementation date, and at least 30 days prior to the start of any notice interval. At the same time, the LEC shall also provide a copy of its plan to the Attorney General and certificated IXC's in Virginia. The LEC shall include its proposed implementation schedule with this filing.

**8. Cost Recovery**

A LEC may recover its subscription. Any cost recovery mechanism to allocate cost between carriers should be based on total intraLATA minutes and recovered on a per minute of use basis.

A LEC shall file with the Commission Staff a cost recovery plan, including cost information and other

necessary supporting documentation, no later than 270 days after it has completed intraLATA presubscription. At the same time, copies must be provided to the Attorney General and to IXC's in Virginia. This plan will become effective one year from such completion date. A LEC's cost recovery plan shall include a proposed recovery period and an annual true-up procedure.

**9. Waivers**

The Commission may waive or amend any of these requirements as it deems necessary consistent with the public interest and the requirements of the Telecommunication\_s Act of 1996.

**10. General**

A LEC shall offer intraLATA toll dialing parity to carriers on a competitively neutral basis and in a nondiscriminatory manner.