

PROPOSED RULE MAKING
 (RCW 34.05.320)

CR-102 (7/1/89)

Original Notice
 Supplemental Notice
 to WSR 90-19-118
 Continuance of WSR

Agency: WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

(a) Title of rule: (Describe Subject) WAC 480-120-021, -106, - 138, and -141 relating to telecommunication companies--the glossary, alternate operator services, pay telephones, and form of bills. The proposed amendatory sections are attached as Appendix A, Docket No. UT-900726. Written and/or oral submissions may also contain data, views, and arguments
Purpose: concerning the effect of the proposed amendatory sections on economic values, pursuant to chapter 43.21H RCW.

Other identifying information: See short explanation

(b) Statutory authority for adoption: RCW 80.01.040 **Statute being implemented:** chapter 80.36 RCW

(c) Summary: See short explanation

Reasons supporting proposal:

(d) Name of Agency Personnel Responsible For:	Office Location	Telephone
1. Drafting) PAUL CURL, Secretary	1300 S. Evergreen Park Drive SW	
2. Implementation) and Commission staff	Olympia, WA	(206) 753-6451
3. Enforcement)		

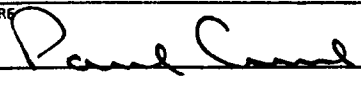
(e) Name of proponent (person or organization) WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Private
 Public
 Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: There are no comments or recommendations being submitted inasmuch as the proposal is pursuant to legislative authorization as reflection in RCW 80.01.040.

(g) Is rule necessary because of:

Federal Law? Yes No If yes, ATTACH COPY OF TEXT
 Federal Court Decision? Yes No Citation:
 State Court Decision? Yes No

(h) HEARING LOCATION: Commission Hearing Room Second Floor, Chandler Plaza Building 1300 S. Evergreen Park Drive SW Olympia, WA Date: <u>May 1, 1991</u> Time: <u>9:00 a.m.</u> Submit written comments to: Paul Curl, Secretary 1300 S. Evergreen Park Drive SW Olympia, WA Initial: <u>3/6/91</u> By (date): <u>Reply: 3/27/91</u>	DATE OF INTENDED ADOPTION: May 1, 1991
	<p align="center">CODE REVISER USE ONLY</p> <p align="center">CODE REVISER'S OFFICE STATE OF WASHINGTON FILED</p> <p align="center">JAN 28 1991</p> <p>TIME <u>2:20</u> WSR <u>91-03-02</u></p>
NAME (TYPE OR PRINT) PAUL CURL	
SIGNATURE 	
TITLE Secretary	DATE 1/23/91

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

These rule changes expand the AOS definition to include operator service to any pay phone and clarify other terminology; set forth duties of the local exchange company in regard to AOS portions of its bill and provide for updating of listing of telecommunication companies for which the billing agent bills; limit charges from pay phones for directory assistance; require that users of pay phones be allowed free access to all interexchange access and to all 1-800 numbers; exempt services to prisoners from compliance with rules inconsistent with pertinent law; set forth contract requirements between AOS providers and customers; require certain notifications on the phone line and on the phone instrument of pay phones; and restrict certain AOS charges.

Does proposal change existing rules?

YES NO

If yes, describe changes:

See (j)

**(k) Is small business economic impact statement required by chapter 19.85 RCW?
(Use this space, if possible. Attach extra sheets if necessary.)**

YES NO

See attached

00974

Small Business Economic Impact Statement
For Proposed Rules
In UT-900726
January 15, 1991

This is a revision to an earlier analysis issued September 28, 1990. Parties are requested to provide comment, additional analysis and specific information. In addition, the Commission intends to continue evaluating the cost of compliance and reserves the right to amend this statement as more definitive data become available.

This analysis estimates the cost per hundred dollars of sales of compliance with proposed rules for telecommunications companies in Docket No. UT-900726 regarding alternate operator services (AOS) and pay telephones. This type of analysis is required under chapter 19.85 RCW if a proposed rule will have an economic impact on more than 10 percent of all of the businesses in this state in any one three-digit standard industrial classification. It is assumed that the proposed rules in Docket No. UT-900726 do have an economic impact on more than 10 percent of the businesses in the standard industry classification for telephone companies (481).

RCW 19.85.040 states the purpose and content requirements of a Small Business Economic Impact Statement (SBEIS). The purpose is to analyze the cost of compliance on the 10 smallest businesses and compare that with the impact on the 10 largest businesses. The analysis uses a cost per hundred dollars of sales measure.

In each instance except AOS entry, where the rule speaks of a limitation on rates to "prevailing" levels, the rule also makes it clear that the affected regulated company is entitled under law to the opportunity to earn a fair return through rates which are fair, just and reasonable. The rule does not and cannot change the statutory and constitutional requirements. Moreover, the rate provisions of this rule will have no direct effect upon existing tariffs, but only upon tariffs filed after the effective date of whatever rule is promulgated, to the extent otherwise authorized by law.

Types of Companies Affected

The proposed rules will affect several types of companies. This analysis will review the impact on three types of companies; privately owned pay telephone service companies (called Customer Owned Pay Telephones or COPT for the rest of this analysis), local exchange companies (LECs), and full service operator service providers (OSP).

COPTs will be divided between small and large. For purposes of this analysis, a small COPT is defined as one with

approximately 15 pay telephones. It is assumed that a small COPT does not have any pay telephones with store and forward technology. The term "store and forward technology" means the ability to electronically capture call details and to rate calls for billing purposes, as well as provide a wide range of automated capabilities that are the functional equivalent of many operator handling services. A large COPT is defined as one having more than 100 pay telephones. It is assumed that a large COPT has 50% of its pay telephones equipped with store and forward technology. When a COPT telephone invokes store and forward technology to complete a call, the COPT is considered an AOS. For this analysis a large COPT will be assumed to be similar to a small OSP.

The rule changes would also affect pay telephone and billing services provided by LECs. It is assumed that the hypothetical LEC does not have any pay telephones with store and forward technology.

The OSP provides a full range of operator handling services, including directory assistance, as well as connections to local and toll calling. This analysis reviews the impact on two sizes of OSP: Super, meaning a telecommunications company with more than 500 million dollars of intrastate operating revenue, with an assumed 5% of its business being the provision of an AOS or payphone service (a typical example might be a large LEC); and Intermediate, approximately 1.5 million dollars derived just from intrastate AOS revenue, examples of these group may include interexchange carriers (IXCs), LECs, and pure OSPs. There are also small OSPs, with less than \$500,000 annual intrastate pay telephone revenue derived through the use of store and forward technology. These companies are similar to Large COPTs.

Assumptions about the structure of the industry are made to allow a framework for analysis, and to try and assure that various distinctive characteristics of the different types of firms are accounted for. Various proposed rule changes may affect different types of companies in different ways. While certain categories contain various types of companies, for instance intermediate OSP includes LECs, IXCs, and pure OSPs, estimated impacts are lumped together for analytical purposes. Inferences about the effect on overall results of operations must be made carefully.

Hotel and motel operators and similar institutions would be less directly affected by the draft rule provisions. Many hotels (using that term collectively to refer to all similarly situated institutions) resell direct-dial local and toll service to their guests. The charges for that service appear on the guest's room

bill, rather than on the guest's residential or business telephone bill. The Commission has not presently determined those providers to be telecommunications companies, nor does it directly regulate the provision of that telecommunication service. Hotels may charge nothing or may charge a dollar or more, for each use of the telephone. They may offer local or toll telephone service free, at cost, or may mark up the resold telecommunication service by up to fifty per cent or more.

Hotels generally do not themselves provide operator-assisted resold telecommunications service, but instead contract with an operator service provider ("AOS company" under Washington law) to provide that service. Hotels may acquire additional equipment that can be used with a PBX to provide store and forward functions and which can automate many operator functions.

In the present draft, the 25 cent cap on consumer instrument access charges is intended to apply to hotel providers of telecommunications service. At present, there is no such limit.

Provisions of the draft affecting AOS companies would affect all firms (aggregators) employing the AOS company, would require the posting of notices, and could limit commissions and surcharges collected by the AOS company, which are generally billed to the consumer's local telephone bill. The draft rule would prohibit fees which vary according to the commission paid to aggregators, and would limit surcharges collected by the AOS company to a tariffed amount. These provisions would not apply to any existing tariff, but would apply only to new tariffs, unless the AOS could justify a different surcharge.

Because of the number of variables, and a lack of information about specific arrangements between the hotel industry and AOS companies, it is not possible to gauge the economic effect on the industry. The AOS company is entitled, as a telecommunications company, to rates which are fair, just and reasonable. In a rate case, the Commission could determine the level of commissions (or surcharges, if there is no cap) which are allowable as appropriate business expenses. The AOS company could pay more than that level, but could not recover the excess in rates.

Another provision of the draft would require AOS companies as a condition of service to aggregators, to assure that aggregators charge no more for telecommunications services or surcharges than authorized by the Commission or by [the AOS company's] tariff. This could limit rates charged by aggregators. The economic effect of the provision is unknown, as no information was provided as to whether existing rates are

higher or lower than either prevailing rates or existing AOS company tariffed rates. The Commission will carefully consider whether this or any similar provision is appropriate.

Cost Variables Investigated

This analysis investigates effects of six cost variables for the various types of companies assumed to be affected by the proposed rules. First, an amendment to WAC 480-120-106 adds the requirement that billing clearinghouses must provide to the LEC providing billing and collection service a list of the registered telecommunications companies for whom it submits charges. The proposed rule requires that this list be up-dated as changes occur, and the LEC must in turn provide a copy of this list to the commission.

The remaining cost factors analyzed are affected by proposed changes to WAC 480-120-141. The second variable is the requirement that an AOS file every six months a current list of customers which it serves and the locations and telephone numbers to which service is provided to each customer. Third, an AOS must provide additional information on notices posted at each instrument served. Fourth, the rule proposes a specific message for branding. Fifth, it is proposed that AOSs must, upon request, redirect calls to the carrier of choice, or in the alternative provide directions for reaching the carrier of choice. Sixth, a surcharge limit of \$0.25 per call is proposed for certain services.

Unquantifiable effects

In addition to these cost items there are several aspects of the proposed rules which may impose additional costs of compliance upon certain telecommunications companies, however estimating the impact is either very difficult because of lack of information, because of unknown off-setting effects, or because alternatives (such as a waiver) are offered to compliance. Some of these aspects are discussed here.

Proposed changes to WAC 480-120-106 require a toll free number on the AOS portion of a bill, and require that the number can only be used if it connects the subscriber with a firm which has full authority to adjust disputed calls. The same rule has amendments to WAC 480-120-106 adding the requirement that the name of the carrier providing service appear on the bill rendered by the local exchange carrier. In the first instance, this analysis does not estimate the cost of compliance because of the unavailability of data. In the second instance, the latest revision to the proposed rule indicates that the local exchange

carrier only has to do this where feasible, and it is not known which LECs have this capability. Therefore, the cost of compliance is unknown.

Amendments to WAC 480-120-138 place a cap on directory assistance charges with the option to justify a different rate. Utility companies are entitled to rates which are fair, just, and reasonable. If a company does justify higher rates there would be no revenue reduction associated with this revision.

An amendment to WAC 480-120-138 authorizes a \$0.25 per call charge for access to 1-800 and 950 numbers. Since the volume of calls for access to 1-800 or 950 is unknown, it is impossible to estimate the revenues.

Changes to WAC 480-120-141 at new subsection (2) make the AOS company responsible for an aggregator's compliance with consumer protection aspects of the rule such as branding, notice, and unblocking requirements. It may cost money to comply with that proposed rule change, but it is unknown what the effect will be. The rule already requires that the AOS post dialing directions so that a consumer may reach the AOS operator to receive specific rate information, and the proposed amendments at WAC 480-120-141 (4) (b) (ii) add the condition that the customer has to be able to get rate quotes without charge. Subsections (5) (a) (iv) (A) - (C) add additional similar requirements. Again, due to a lack of data, the incremental cost of compliance can not be analyzed.

New requirements to redirect (re-originate) a call to the preferred carrier, or provide directions to reach a preferred carrier, augment existing rules, and may require additional expense which is analyzed briefly under Cost Factor 5, however, other unknown factors may offset the impact of compliance. For example, if rates and surcharges approach prevailing levels, customer requests for reorigination may diminish, and quarter surcharges for 1-800 or interexchange carrier access may offset costs of compliance. Furthermore, quarter surcharges for 1-800 or interexchange carrier access represent additional revenue because it is assumed that COPTs do not currently charge anything for those calls.

Finally, the proposed rule develops definitions of the term "public convenience and advantage" and reaffirms a telecommunications company's need and right to justify rates exceeding prevailing levels. The definitions could cap rates of new entrants at prevailing rates, which may cause lower revenue growth or stimulate work to justify a different rate. The cost is very difficult to estimate, and it is not known whether small

companies would be more severely impacted than large companies.

Analysis of Cost Factors

The attached schedule (Table 1) depicts the costs analysis discussed below.

1. An amendment to WAC 480-120-106 adds the requirement that billing clearinghouses must provide to the LEC providing billing and collection service a list of the registered telecommunications companies for whom it submits charges. The proposed rule requires that this list be updated as changes occur, and the LEC must in turn provide a copy of this list to the commission.

Cost of compliance with this rule will fall on the LEC. It is assumed the administrative activity of filing a copy of the list will require approximately one hour of clerical work at an assumed fully-loaded cost of \$12/hour. Mailing and materials would cost another dollar.

Estimated total cost of compliance is \$13 per list. It is assumed that the list will have to be up-dated six times per year, and these costs do not vary substantially between large and small LECs. It is further assumed that each LEC impacted has billing and collection agreements with three billing clearinghouses. Therefore, the total cost of compliance falling upon LECs will be six times three times \$13, or \$234 per year.

2. Under the proposed amendment to WAC 480-120-141 an AOS must file every six months a current list of customers which it serves and the locations and telephone numbers to which service is provided to each customer. A list of customers, locations and telephone numbers is assumed to be readily available every six months. The administrative activity of filing a list will require approximately one hour of clerical work at an assumed fully-loaded cost of \$12/hour. Mailing and materials will cost another dollar it is estimated. Estimated total cost of compliance is \$13 per list, or \$26 per year. It is assumed that this cost does not vary substantially between large and small companies.
3. Proposed changes to WAC 480-120-141 require additional information to be posted on each instrument served. The draft would allow time for compliance. It is estimated that 10,000 notices can be printed for approximately \$5,000. That works out to 50 cents per installed notice. The unit cost would be somewhat higher for smaller companies

requiring smaller volumes of printed notices. Therefore the cost is assumed at \$1 per notice for the smaller and intermediate companies. It is assumed that the posting cost of the notices will be relatively small per phone as the work would be performed simultaneously with other functions such as collections and repair. We have used 50 cents per phone. Due to vandalism, etc. these notices will have to be replaced twice a year.

Under these assumptions, the cost of compliance for small COPTS, who will not print the notices as they are assumed to be provided by the OSP, will be 50 cents per notice, total cost \$15 a year. For the large COPT with 100 phones total annual cost would be \$100.

It is assumed that an LEC has 500 pay telephones. At fifty cents per notice to post, total annual cost of \$500.

A super OSP serves approximately 4,000 pay telephones or other aggregator phones. At \$1 to print and post per notice apiece, the total annual cost is \$8,000. The intermediate OSP is assumed not to own a majority of the payphones served. Serving 2,000 payphones, it would incur the printing cost for these phones plus a posting cost for those phones owned, say 20%. Total annual costs would be \$2,400.

4. The rule proposes a specific message for branding every call at the beginning and again before the call is connected. Current rules require branding once with the carrier's name.

The small COPT does not provide operator service. Large COPTS with 100 pay telephones will have to reprogram at least those phones that provide store and forward capabilities. At \$20 an instrument total cost would be \$300. LECs with 500 phones would only incur additional direct costs if they provide the operator service. The large or medium sized LECs that provide operator service would be included in the OSP category therefore no costs for LECs is assumed under this category.

It is assumed that super and intermediate OSPs will comply with this proposed rule by training their operators in the new procedure. If these firms have 200 operators, paid an hourly fully loaded wage of \$20 and it takes less than one hour for training, the cost of compliance is approximately \$4,000.

5. The proposed rule requires that an operator be able to reoriginate a call for a consumer using the carrier of the consumer's choice. It is assumed that this proposed rule will be met with compliance through live operator handling provided by OSPs. It is assumed that this is accomplished by training operators in the new procedure. Again, assume that super and intermediate OSPs have 200 operators, it takes an hour to train them at \$20 per hour fully loaded labor cost. Cost of compliance is \$4,000 per those assumptions.

6. The proposed rules restrict surcharges to \$0.25 per call. This rule will impact those companies that operate pay telephones and receive surcharge revenue from the AOS. It is assumed that this requirement will have no impact on the LEC, super AOS, or intermediate AOS that does not operate a payphone service. The small and large COPTs and small AOS companies should be impacted. Other aggregators such as hotel/motels may also be impacted by this limitation, It is uncertain, however, whether these potential lost revenues may be offset by other factors. As the cost of providing phone service pervades the entire industry, the issue may become one of rate spread as opposed to lost revenue.

For those companies that operate payphones it is assumed that current surcharges are approximately \$1 per call. Therefore the loss of revenue is a function of the level of billed long distance calls per phone and the number of phones. It is assumed that the lost revenue will be offset by reduced revenue sensitive expenses of 20%. Our review of available information seems to indicate that the larger COPT receive a greater level of revenue per phone from these surcharges. This analysis reflects that perception. For small COPTs we anticipate a loss of approximately \$8,550 in revenue, net of revenue sensitive expenses this cost would amount to \$6,840. For the large COPT a loss in revenue of approximately \$117,000 is anticipated for a net cost of \$93,600. This analysis does not consider offsetting revenues from authorized surcharges. It also does not consider increased commissioned calling volume which should result if AOS rates fall to prevailing levels and consumers no longer feel the pressure to avoid the presubscribed carrier.

Cost Impact as a Percent of Revenue

In the attached Table 1 we have analyzed the cost factors for the five industry groups as discussed above. In the

analysis, costs are classified as either "one time" or as "ongoing". Costs related to branding messages and reorigination we have treated as "one time" costs. The remainder of the items are "on going" or annual.

The analysis assumes specific levels of revenues. These revenues are intended to represent intrastate Washington revenues. The intermediate and super OSP may have significant levels of interstate or other jurisdictional revenue, and Washington intrastate may be only a small percentage of total revenue. The revenues depicted are intended, however, to represent all revenues and not just AOS or payphone revenues.

The impact on the various companies is displayed on the bottom two lines of the table. As can be seen, for the small COPT the cost may be as high as \$18 per \$100 of annual revenue. For the LECs, intermediate and Super OSP's the costs will be less than 50 cents per hundred dollars of revenue.

The Commission is aware of the effect on small COPTs as depicted in the above analysis. Some provisions of the proposed rule are an attempt to mitigate this effect, including the provision to allow a charge for the use of 1-800 or interexchange calling. The impacts of these provisions are not easily measurable. The Commission will continue to consider the effects of this proposal and possible changes to it, and will continue to consider possible mitigation.

Small Business Impact Statement

Table 1

Schedule of impacts

Item	Small COPT	Large COPT	Intermediate OSP	Super OSP	LEC
1)Billing Lists	\$0	\$0	\$0	\$0	\$234
2)Customer Lists	0	0	26	26	26
3)Notices	15	100	2,400	8,000	500
4)Branding Message	0	300	4,000	4,000	200
5)Reorigination	0	0	4,000	4,000	0
6)Surcharge	6,840	93,600	0	0	0
One time cost	\$0	\$300	\$8,000	\$8,000	\$200
Annual cost	\$6,855	\$93,700	\$2,426	\$8,026	\$760
Assumed annual revenue	\$37,500	\$1,250,000	\$1,500,000	\$500,000,000	\$4,000,000
Percent of revenue:					
One time	0.00%	0.02%	0.53%	0.00%	0.01%
On going	18.28%	7.50%	0.16%	0.00%	0.02%

A P P E N D I X A

AMENDATORY SECTION (Amending Order R-293, filed 1/31/89)

WAC 480-120-021 GLOSSARY. Alternate operator services company - any corporation, company, partnership, or person providing a connection to intrastate or interstate long-distance or to local services from (~~places including but not limited to, hotels, motels, hospitals, campuses, and customer-owned pay telephones. Alternate operator services companies are those with which a hotel, motel, hospital, campus, or customer-owned pay telephone, etc., contracts to provide operator services to its clientele~~) locations of call aggregators.

Applicant - any person, firm, partnership, corporation, municipality, cooperative organization, governmental agency, etc., applying to the utility for new service or reconnection of discontinued service.

Automatic dialing-announcing device - any automatic terminal equipment which incorporates the following features:

- (1) (a) Storage capability of numbers to be called; or
- (b) A random or sequential number generator that produces numbers to be called; and
- (c) An ability to dial a call; and
- (2) Has the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called.

Billing agent - A person such as a clearing house which facilitates billing and collection between a carrier and an entity such as a local exchange company which presents the bill to and collects from the consumer.

Base rate area or primary rate area - the area or areas within an exchange area wherein mileage charges for primary exchange service do not apply.

Call aggregator - a person who, in the ordinary course of its operations, makes telephones available for intrastate service to the public or to users of its premises, including but not limited to hotels, motels, hospitals, campuses, and pay telephones.

Central office - switching unit in a telephone system having the necessary equipment and operating arrangements for terminating and interconnecting subscribers' lines, farmer lines, toll lines and interoffice trunks. (More than one central office may be located in the same building or in the same exchange.)

Commission - the Washington utilities and transportation commission.

Competitive telecommunications company - a telecommunications company which is classified as such by the commission pursuant to RCW 80.36.320.

Competitive telecommunications service - a service which is classified as such by the commission pursuant to RCW 80.36.330.

Customer - user not classified as a subscriber.

Exchange - a unit established by a utility for communication service in a specific geographic area, which unit usually

embraces a city, town or community and its environs. It usually consists of one or more central offices together with the associated plant used in furnishing communication service to the general public within that area.

Exchange area - the specific area served by, or purported to be served by an exchange.

Farmer line - outside plant telephone facilities owned and maintained by a subscriber or group of subscribers, which line is connected with the facilities of a telecommunications company for switching service. (Connection is usually made at the base rate area boundary.)

Farmer station - a telephone instrument installed and in use on a farmer line.

Interexchange telecommunications company - a telecommunications company, or division thereof, that does not provide basic local service.

Outside plant - the telephone equipment and facilities installed on, along, or under streets, alleys, highways, or on private rights-of-way between the central office and subscribers' locations or between central offices.

Station - a telephone instrument installed for the use of a subscriber to provide toll and exchange service.

Subscriber - any person, firm, partnership, corporation, municipality, cooperative organization, governmental agency, etc., supplied with service by any utility.

Toll station - a telephone instrument connected for toll service only and to which message telephone toll rates apply for each call made therefrom.

Utility - any corporation, company, association, joint stock association, partnership, person, their lessees, trustees or receivers appointed by any court whatsoever, owning, controlling, operating or managing any telephone plant within the state of Washington for the purpose of furnishing telephone service to the public for hire and subject to the jurisdiction of the commission.

AMENDATORY SECTION (Amending Order R-293, filed 1/31/89)

WAC 480-120-106 FORM OF BILLS. Bills to subscribers shall be rendered regularly and shall clearly list all charges. Each bill shall indicate the date it becomes delinquent and notice of means by which a subscriber can contact the nearest business office of the utility.

The portion of a bill rendered by the local exchange company on behalf of itself and other companies shall clearly specify the alternate operator service company's billing agent and, where feasible, within ninety days after the effective date of this rule, the provider of ((the service or its authorized billing agent)) alternate operator service, and a toll free telephone number the consumer can call to question that portion of the bill and, if appropriate, receive credit. A number may be used on this portion of the bill only if it connects the subscriber with a firm which has full authority to investigate and, if appropriate, to adjust disputed calls including a means to verify that the rates charged are correct. Consumers requesting an address where they can write to question that portion of the bill shall be provided that information.

A local exchange company shall not provide billing and collection services for telecommunications service to any company not properly registered to provide service within the state of Washington, except to a billing agent that certifies to the local exchange carrier that it will submit charges only on behalf of properly registered companies. As a part of this certification the local exchange company shall require that the billing agent provide to it a current list of each telecommunications company for which it bills showing the name (as registered with the commission) and address. This list shall be updated and provided to the local exchange company as changes occur. The local exchange company shall in turn, upon receiving it, provide a copy of this list to the commission for its review.

All bills for telephone service shall identify and set out separately any access or other charges imposed by order of or at the direction of the Federal Communications Commission. In addition, all bills for telephone service within jurisdictions where taxes are applicable will clearly delineate the amount, or the percentage rate at which said tax is computed, which represents municipal occupation, business and excise taxes that have been levied by a municipality against said utility, the effect of which is passed on as a part of the charge for telephone service.

Subscribers requesting by telephone, letter or office visit an itemized statement of all charges shall be furnished same. An itemized statement is meant to include separately, the total for exchange service, mileage charges, taxes, credits, miscellaneous or special services and toll charges, the latter showing at least date, place called and charge for each call. In itemizing the charges of information providers, the utility shall furnish the name, address, telephone number and toll free number, if any, of

such providers. Any additional itemization shall be at a filed tariff charge.

Upon a showing of good cause, a subscriber may request to be allowed to pay by a certain date which is not the normally designated payment date. Good cause shall include, but not be limited to, adjustment of the payment schedule to parallel receipt of income. A utility may be exempted from this adjustment requirement by the commission.

AMENDATORY SECTION (Amending Order R-316, filed 3/23/90)

WAC 480-120-138 PAY TELEPHONES--LOCAL AND INTRASTATE. Every telecommunications company operating an exchange within the state of Washington may allow pay telephones to be connected to the company's network for purposes of interconnection and use of registered devices for local and intrastate communications. Every such telecommunications company offering such service shall file tariffs with the commission setting rates and conditions applicable to the connection of pay telephones to the local and intrastate network under the following terms and conditions. Local exchange companies that do not have a public access line tariff on file with the commission shall not be subject to these rules.

For purposes of these rules "pay telephone" is defined as equipment connected to the telephone network in one of the following modes:

(a) Coin operated: A telephone capable of receiving nickels, dimes, and quarters to complete telephone calls. Credit card or other operator-assisted billing may be used from a coin-operated instrument.

(b) Coinless: A pay telephone where completion of calls, except emergency calls, must be billed by an alternative billing method such as credit card, calling cards, collect, third-party billing, or billed in connection with the billing of meals, goods, and/or services. These pay phones include, but are not limited to, charge-a-call, cordless, tabletop, and credit card stations.

For purposes of these rules, the term "subscriber" is defined as a party requesting or using a public access line for the purpose of connecting a pay telephone to the telephone network.

(1) Pay telephones connected to the company network must comply with Part 68 of the Federal Communications Commission rules and regulations and the ((current)) National Electric Code and National Electric Safety Code, as they existed on January 1, 1991, and must be registered with the Federal Communications Commission, or installed behind a coupling device which has been registered with the Federal Communications Commission.

(2) All pay telephones shall provide dial tone first to assure emergency access to operators without the use of a coin.

(3) The caller must be able to access the operator and 911 where available without the use of a coin.

(4) (~~The--subscriber--shall--pay--the--local--directory assistance--charge--currently--in--effect--for--each--pay--telephone--and may--charge--the--user--for--directory--assistance--calls--.~~) The charge for each directory assistance call paid by the ((user)) consumer shall not exceed the ((current)) prevailing per call charge (~~paid--by--the--subscriber~~) for directory assistance. In the absence of persuasive contrary evidence, the charge of U S WEST Communications for intraLATA directory assistance or AT&T for interLATA directory assistance shall be accepted as the

prevailing charge. The charge for sent-paid access to local exchange, 1-800 and interexchange carrier service shall not exceed twenty-five cents.

(5) Emergency numbers (e.g., operator assistance and 911) must be clearly posted on each pay telephone.

(6) Information consisting of the name, address, telephone number of the owner, or the name of the owner and a toll-free telephone number where a caller can obtain assistance in the event the pay telephone malfunctions in any way, and procedures for obtaining a refund from the subscriber must be displayed on the front of the pay telephone.

The following information shall also be posted on or adjacent to the telephone instrument:

(a) "An accurate quotation of all rates and surcharges is available to the user by (~~((dialing--101))~~) (insert appropriate method) and requesting costs"; and

(b) The notice required by WAC 480-120-141 (~~((1))~~) (4)(a).

In no case will the charges to the user exceed the quoted costs.

(7) The telephone number of the pay telephone must be displayed on each instrument.

(8) The subscriber shall ensure that the pay telephone is compatible for use with hearing aids and its installation complies with all applicable federal, state, and local laws and regulations concerning the use of telephones by disabled persons.

(9) The pay telephone, if coin operated, must return the coins to the caller in the case of an incomplete call and must be capable of receiving nickels, dimes, and quarters. Local exchange company pay telephones shall not be subject to the requirements of this subsection.

(10) All pay telephones must (~~((be-capable-of-providing))~~) provide access to all interexchange carriers where such access is available. If requested by the subscriber, the local exchange company providing the public access line shall supply restriction, where available, which prevents fraud to the 10XXX 1+ codes, at appropriate tariffed rates.

(11) Except for service provided to hospitals, libraries, or similar public facilities in which a telephone ring might cause undue disturbance, or upon written request of a law enforcement agency, coin-operated pay telephones must provide two-way service, and there shall be no charge imposed by the subscriber for incoming calls. This subsection will not apply to pay telephones arranged for one-way service and in service on May 1, 1990. Should an existing one-way service be disconnected, change telephone number, or change financial responsibility, the requirements of this subsection shall apply. All pay telephones confined to one-way service shall be clearly marked on the front of the instrument.

(12) Pay telephones shall be connected only to public access lines in accordance with the approved tariffs offered by the local exchange company. Local exchange company pay telephones are not subject to this requirement.

(13) A subscriber must order a separate pay telephone access line for each pay telephone installed. Extension telephones may be connected to a pay telephone access line when the instrument:

(a) Prevents origination of calls from the extension station; and

(b) Prevents third party access to transmission from either the extension ~~((of))~~ or the ~~((coin-operated))~~ pay telephone instrument.

Local exchange companies are exempted from (b) of this subsection.

(14) Credit card operated pay telephones shall clearly identify all credit cards that will be accepted.

(15) Involuntary changes in telephone numbers upon conversion of pay telephones from local exchange company-owned to privately-owned pay telephones are prohibited.

(16) No fee shall be charged for nonpublished numbers on a public access line.

(17) Cordless and tabletop pay telephones shall not be connected to the telephone network except under the following conditions:

(a) The bill for usage is tendered to the user before leaving the premises where the bill was incurred or alternatively billed at the customer's request; and

(b) The user is notified verbally or on the instrument that privacy on cordless and tabletop telephones is not guaranteed; and

(c) When other electrical devices are equipped with filters, as necessary, to prevent interference with the pay telephone.

(18) Violations of the tariff, commission rules pertaining to pay telephone service, or other requirements contained in these rules, including interexchange carrier access requirements, will subject the pay telephone to disconnection of service if the deficiency is not corrected within five days from date of written notification to the subscriber. WAC 480-120-081(4)(g) shall not apply to such disconnections.

It shall be the responsibility of every local exchange company to assure that any subscriber taking service pursuant to these rules and to tariffs filed pursuant to these rules meets all of the terms and conditions contained within these rules and the tariffs so filed. It shall be the duty of the local exchange company to enforce the terms and conditions contained herein.

It shall be the responsibility of the local exchange company to provide free of charge one current telephone directory each year for each public access line. It shall be the responsibility of the subscriber to make a reasonable effort to assure a current directory is available at every pay telephone location.

Public access lines will be charged at rates according to the relevant tariff as approved by the commission.

(19) Disconnection of, or refusal to connect, a pay telephone for violation of these rules may be reviewed by the commission in a formal complaint under WAC 480-09-420(5) through

a brief adjudicative proceeding under the provisions of RCW
34.05.482-491 and WAC 480-09-500.

AMENDATORY SECTION (Amending Order R-293, filed 1/31/89)

WAC 480-120-141 ALTERNATE OPERATOR SERVICES. All telecommunications companies providing alternate operator services (AOS), as defined in WAC 480-120-021, shall ~~((conform to))~~ comply with this and all other rules relating to telecommunications companies not specifically waived by order of the commission. ~~((Alternate-operator-services-companies--(AOS) are-those-with-which-a-hotel,-motel,-hospital,-prison,-campus, customer-owned-pay-telephone,-etc.,-contracts-to-provide-operator services-to-its-clientele.))~~ Alternate operator service provided to the inmates of state or local penal or correctional facilities or jails are exempt from compliance with the provisions of any rule inconsistent with RCW 9.73.095 or an equivalent ordinance, so long as the charges for service are no higher than the prevailing charges for operator services.

(1) Each alternate operator services company shall file with the commission at least every six months a current list of customers which it serves and the locations and telephone numbers to which service is provided to each customer.

(2) Each AOS company is responsible for assuring that each of its customers complies fully with contract and tariff provisions which are specified in this rule. Failure to secure compliance constitutes a violation by the AOS company. The AOS company shall withhold the payment of compensation, including commissions, from an aggregator, if the AOS company reasonably believes that the aggregator is blocking access to interexchange carriers in violation of these rules.

(3) For purposes of this section ((the)), "consumer" means the party ((billed--for--the--completion--of)) initiating an ((interstate/intrastate)) interexchange or local call. "Customer" means the call aggregator, i.e., the hotel, motel, hospital, prison, campus, ((customer-owned)) pay telephone, etc., contracting with an AOS for service.

((+)) (4) An alternate operator services company shall require as a part of ((the)) any contract with its customer and as a term and condition of service stated in its tariff, that the customer:

(a) Post on the telephone instrument in plain view of anyone using the telephone, in eight point or larger Stymie Bold type, one of the following notices.

(i) If any service is provided at charges which may exceed the prevailing rates for service, the following message shall appear, printed in red ink. In the absence of a determination by the Commission as to the prevailing rates, the rates at which service is offered by U S WEST for intraLata service and AT&T for interLATA service will be accepted as the prevailing rates.

SERVICES ON THIS INSTRUMENT MAY BE PROVIDED AT RATES THAT ARE HIGHER THAN NORMAL. YOU HAVE THE RIGHT TO CONTACT THE OPERATOR FOR INFORMATION REGARDING CHARGES BEFORE PLACING YOUR CALL. INSTRUCTIONS FOR ((BEARING

THROUGH--THE--LOCAL--TELEPHONE--COMPANY)) REACHING YOUR PREFERRED CARRIER ARE ALSO AVAILABLE FROM THE OPERATOR.

(ii) If ALL service from the instrument will be provided at charges, including any surcharges or fees, which are equal to or below the prevailing rates for service as identified in subsection (i), above, either the foregoing message or the following message shall appear.

SERVICE FROM THIS INSTRUMENT IS OFFERED AT RATES WHICH DO NOT EXCEED PREVAILING RATES FOR SERVICE. YOU HAVE THE RIGHT TO CONTACT THE OPERATOR FOR INFORMATION REGARDING CHARGES BEFORE PLACING YOUR CALL. INSTRUCTIONS FOR REACHING YOUR PREFERRED CARRIER ARE ALSO AVAILABLE FROM THE OPERATOR.

It is a violation of these rules to charge more than the prevailing rate for service from a telephone posted under this provision.

(iii) Posting shall begin within sixty days following the adoption of these rules and shall be completed within ninety days thereafter.

(b) Post and maintain in legible condition on or near the telephone:

(i) The name, address, and without-charge number of the alternate operator services company, as registered with the commission;

(ii) Dialing directions so that a consumer may reach the AOS operator ((so--as)) without charge to receive specific rate information; and

(iii) Dialing directions to allow the consumer to ((dial through--the--local--telephone--company)) reach the consumer's preferred carrier and to make it clear that the consumer has access to the other providers.

(c) Provide without charge access from every instrument to 911 and the local exchange company operator;

(d) Provide access to 1-800 services and interexchange carriers;

(e) Shall not impose, implement or allow a surcharge for any operator, toll, or local service above the tariffed rates for service, and;

(f) shall not charge more than twenty-five cents for consumer access to local exchange, 1-800 or interexchange carrier service.

((+2)) (5) The alternate operator services company shall:

(a) Identify the AOS company providing the service ((or-its authorized--billing--agent)) audibly and distinctly at the beginning of every call, and again before the call is connected, including ((those-handled-automatically;-and)) an announcement to the called party on calls placed collect.

(i) For purposes of this rule the beginning of the call is immediately following the prompt to enter billing information on automated calls and, on live and automated operator calls, when

the call is initially routed to the operator.

(ii) Specifically, the following message shall be used at the beginning of the call: "You are using (name of AOS company as registered with the commission)"; the message prior to connection of the call shall say, "Thank you for using (name of AOS company as registered with the Commission)".

(iii) The consumer shall be permitted to terminate the telephone call at no charge before the call is connected.

(iv) The AOS company shall immediately, upon request, and at no charge to the consumer, disclose to the consumer

(A) a quote of the rates or charges for the call, including any surcharge;

(B) the method by which the rates or charges will be collected; and

(C) the methods by which complaints about the rates, charges or collection practices will be resolved.

(b) Provide to the local exchange company such information as may be necessary for billing purposes, as well as an address and toll free telephone number for consumer inquiries.

(c) Reoriginate calls to another carrier upon request and without charge, when equipment is in place which will accomplish reorigination with screening and allow billing from the point of origin of the call. If reorigination is not available, the carrier shall give dialing instructions for the consumer's preferred carrier.

(d) Assure that a minimum of ninety percent of all calls shall be answered by the operator within ten seconds from the time the call reaches the carrier's switch.

(e) Maintain adequate facilities in all locations so the overall blockage rate for lack of facilities does not exceed one percent in any given hour. Should excessive blockage occur, it shall be the responsibility of the AOS company to determine what caused the blockage and take immediate steps to correct the problem. This subsection does not apply to blockage during unusually heavy traffic, such as national emergency, local disaster, holidays, etc.

((3)) (6) The alternate operator services company shall assure that ((consumers)) persons are not billed for calls which are not completed. For billing purposes, calls shall be itemized, identified, and rated from the point of origination to the point of termination. No call shall be transferred to another carrier by an AOS which cannot or will not complete the call, unless the call can be billed in accordance with this subsection.

((4)) (7) For purposes of emergency calls, every alternate operator services company shall have the following capabilities:

(a) Automatic identification at the operator's console of the location from which the call is being made;

(b) Automatic identification at the operator's console of the correct telephone numbers of emergency service providers that serve the telephone location, including but not limited to,

police, fire, ambulance, and poison control;

(c) Automatic ability at the operator's console of dialing the appropriate emergency service with a single keystroke;

(d) Ability of the operator to stay on the line with the emergency call until the emergency service is dispatched.

No charge shall be imposed on the caller ~~((from))~~ by the telephone company or the alternate operator services company for the emergency call.

If the alternate operator services company does not possess these capabilities, all calls in which the ~~((caller))~~ consumer dials zero (0) and no other digits within five seconds shall be routed directly to the local exchange company operator, or to an entity fully capable of complying with these requirements. AOS companies lacking sufficient facilities to provide such routing shall cease operations until such time as the requirements of this section are met.

~~((5)---Consumer))~~ (8) Complaints and disputes shall be treated in accordance with WAC 480-120-101, Complaints and disputes.

~~((6))~~ (9) Charges billed to a credit card company (e.g., American Express or Visa) need not conform to the call detail requirements of this section. However, the AOS shall provide ~~((consumers--with))~~ specific call detail in accordance with WAC 480-120-106 upon request.

(10) "Public convenience and advantage"; commissions or fees.

(a) For services, public convenience and advantage means at a minimum that the provider of alternate operator services offers operator services which equal or exceed the industry standards in availability, technical quality and response time and which equal or exceed industry standards in variety or which are particularly adapted to meet unique needs of a market segment. In the absence of other persuasive evidence, a demonstration that operator service equals or exceeds that provided by U S WEST Communications for intraLATA services or AT&T for interLATA services will be accepted as demonstrating public convenience and advantage.

(b) Charges no greater than the prevailing operator service charges in the relevant market - intraLATA or interLATA - will be accepted as demonstrating that charges are for the public convenience and advantage. In the absence of persuasive contrary evidence, the charges for US West for intraLATA service and AT&T for interLATA service will be accepted as the prevailing charges.

(c) Commissions, charges or fees. The charge to the consumer attributable to any commission, location fee, surcharge, or customer charge or fee of any kind for the benefit of a call aggregator may not exceed twenty-five cents for any sent-paid or non sent-paid call, except that no such charge may be added to without-charge calls nor to a charge for directory assistance. A higher fee may be approved by the Commission when necessary for rates which are fair, just and reasonable. The existence of this charge at a location and the basis for its calculation [i.e., per

call or percentage of charge] must be clearly posted at the location of the instrument. Except as specified herein, no tariff may provide for rate levels which vary at the option of a call aggregator.

(10) Tariffed rates for the provision of alternate operator services, including directory assistance, shall not exceed the prevailing rates for such services unless need for the excess to produce rates which are fair, just and reasonable is demonstrated to the satisfaction of the commission. In the absence of persuasive contrary evidence, rate levels of U S WEST for intraLATA service and AT&T for interLATA service will be considered the prevailing rate.