

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUICOM COMMUNICATIONS,)
INC., FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO OPERATE AS A) CASE NO. 89-127
RESELLER OF INTERLATA TELECOMMUNICATIONS)
SERVICES WITHIN THE COMMONWEALTH OF)
KENTUCKY)

O R D E R

On May 10, 1989, Equicom Communications, Inc. ("Equicom") filed its application for a Certificate of Public Convenience and Necessity to provide interLATA telecommunications services, including operator-assisted services, in Kentucky. Equicom is an affiliate of Red Roof Inns, Inc. ("Red Roof"), and initially, its services will be provided only to Red Roof for the use of guests staying at Red Roof's motels. Eventually, Equicom intends to market its services to other hotels and motels, hospitals, universities, and other business establishments.

South Central Bell Telephone Company and AT&T Communications of the South Central States, Inc. ("AT&T") have intervened in this proceeding. A procedural schedule was issued on August 3, 1989 to allow the intervenors the opportunity to request information from Equicom. The Commission also required that requests for a formal hearing should be filed on or before September 13, 1989 and in the absence of such a request, the matter shall stand submitted for a final decision by the Commission. No requests for a formal hearing were received.

The Commission has established restrictions and guidelines pertaining to the provision of operator-assisted services which were first delineated in the August 3, 1989 Order in Case No. 10002¹ and later applied to all non-local exchange carrier providers of operator-assisted services by an Order dated September 8, 1989 in Administrative Case No. 330.² The Commission is of the opinion that because of the characteristics of Equicom's operations, primarily its lack of a formal, prearranged relationship with the actual users of its services, Equicom should be required to comply with the same guidelines imposed on other providers of operator-assisted services. Without such restrictions, the Commission is of the opinion that Equicom's provision of operator services would not be in the public interest.

IT IS THEREFORE ORDERED that:

1. Equicom's operator-assisted services shall be subject to rate regulation and its rates shall not exceed AT&T's maximum approved rates. "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Equicom is not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day

¹ Case No. 10002, The Application of International Telecharge, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Reseller of Telecommunications Services Within the State of Kentucky.

² Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services.

discounts shall also be applicable. Equicom is also required to rate calls using the same basis that AT&T uses to rate calls, i. e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. In Case No. 9889,³ the Commission allowed AT&T a limited amount of rate flexibility in that it was allowed to reduce certain rates up to a maximum of 10 percent without filing the full cost support normally required in a rate proceeding. Equicom is not required to match AT&T's rate reductions resulting from this rate flexibility. However, when there is any change in AT&T's maximum approved rates, Equicom shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

2. Except as otherwise indicated in this Order, Equicom shall be subject to non-dominant carrier regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273,⁴ as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless Equicom is specifically relieved from compliance with any conditions contained herein.

3. Access to the operator services of competing carriers shall not be blocked or intercepted; however, this requirement does not pertain in situations where the customers who have

³ Case No. 9889, Adjustment of Rates of AT&T Communications of the South Central States, Inc.

⁴ Administrative Case No. 273, An Inquiry Into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky.

control of premises equipment are also the users and bill-payers of the services.

4. Access to the local exchange carrier's operators shall not be blocked or otherwise intercepted. Specifically, all "0 minus"⁵ calls shall be directed to the local exchange carrier's operators. In equal access areas, "0 plus"⁶ intraLATA calls shall not be intercepted or blocked. In non-equal access areas, it is prohibited to block or intercept "0 minus" calls; however it is permissible to intercept "0 plus" calls.

5. Blocking and interception prohibitions shall be included in Equicom's tariffs and contracts by stating that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

6. Equicom's operators shall provide, upon specific request, carrier identification codes that are used in 10XXX0 dialing sequences.

7. Equicom shall provide tent cards and stickers to be placed near or on telephone equipment used to access its services and shall include provisions in tariffs and contracts that subject violators to termination of service.

8. Equicom shall identify itself at both the beginning and conclusion of the operator contact of every call.

⁵ A "0 minus" or "0-" call is when an end-user dials zero without dialing any additional digits.

⁶ A "0 plus" or "0+" call is when an end-user dials zero and then dials the digits of the called telephone number.

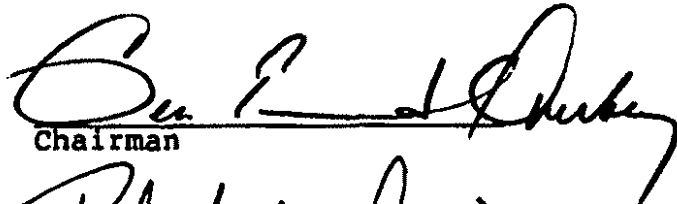
9. Equicom shall not accept calling cards for billing purposes if it is unable to validate the card.

10. Equicom is hereby granted authority to provide interLATA operator-assisted telecommunications services on and after the date of this Order subject to the restrictions and conditions of service stated herein. This authority to provide service is strictly limited to those services described in this Order and contained in Equicom's application.

11. Within 30 days of the date of this Order, Equicom shall file its revised tariff sheets to conform to the restrictions and conditions of service contained herein.

Done at Frankfort, Kentucky, this 3rd day of October, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director