

P-430/EM-94-672 ORDER GRANTING RECONSIDERATION, AUTHORIZING CLASS SERVICES, AND EXTENDING DEADLINE TO PROVIDE CLASS SERVICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
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Commissioner

In the Matter of the Proposal by United
Telephone Company of Minnesota to Offer
CLASS Services

ISSUE DATE: December 8, 1994

DOCKET NO. P-430/EM-94-672

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AUTHORIZING CLASS SERVICES, AND
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PROCEDURAL HISTORY

On July 20, 1994 United Telephone Company of Minnesota filed a proposal to offer CLASS services. The Company filed a description of the services it planned to offer, a proposed customer education plan, and proposed tariff sheets. On July 29, August 22, 23, 24, and 26, 1994 the Company made supplementary filings. The filings were based on the Commission's June 17 and December 3, 1993 Orders authorizing CLASS services and setting conditions on their provision.¹

On August 30, 1994 the Department of Public Service (the Department) filed a report and recommendation advocating changes in the Company's proposal. The report recommended requiring per-call blocking on pay phone lines where feasible and requiring instruction cards on Company-owned pay phones to include blocking information. It recommended requiring a detailed filing on Company plans for informing subscribers that Caller ID display units, which the Company planned to sell, were available from a variety of retailers.

The Department challenged the Company's proposed Call Trace rates, its proposal to require an explicit request before providing the service, and its plan to retain traced numbers for only three days.

Finally, the Department expressed concern about a CLASS-related privacy issue that had just surfaced -- the software configuration used by this and some other companies could result in Continuous Redial disclosing called parties' names as well as numbers, which could thwart privacy expectations held by customers with unlisted and unpublished numbers.

The Company's proposal originally came before the Commission on October 11, 1994. In an Order issued October 17, 1994 the Commission rejected the plan, finding the state of the record too confused for the Commission to have full confidence in its ability to make an informed decision.

¹ In the Matter of a Commission Initiated Investigation into the Provision of Custom Local Area Signaling Services in Minnesota, Docket No. P-999/CI-92-992, ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOM LOCAL AREA SIGNALING SERVICES (June 17, 1993) and ORDER AFTER RECONSIDERATION (December 3, 1993).

The Company subsequently met with Department and Commission staff to clarify the issues and refine its proposal. On October 26, 1994 the Company filed a request for reconsideration of the October 17 Order, stating it had changed its proposal to meet the Commission's concerns. The Company also requested a 90-day extension of the January 1, 1995 statutory deadline to begin offering CLASS services in the seven-county metropolitan area. The Commission may grant such extensions under Minn. Stat. § 237.75, subd. 3 (Supp. 1993).

On November 2, 1994 the Department filed a letter which recommended granting reconsideration, approving the proposal as amended, and granting the 90-day time extension.

The matter again came before the Commission on November 22, 1994.

FINDINGS AND CONCLUSIONS

I. Reconsideration Granted

The Commission agrees with the Company that the changes and clarifications it has made to its proposal constitute new information justifying reconsideration. The Commission will grant the petition and examine the amended CLASS proposal on its merits.

II. Amended Proposal Approved

The Commission has examined the Company's amended proposal and finds it in substantial compliance with the June 17 and December 3, 1993 Orders. All concerns raised in the October 17 Order have been satisfactorily resolved, as outlined below.

The privacy concerns raised by Continuous Redial have been neutralized by the Company's decision to block Caller ID's transmission of the names of customers with unlisted or unpublished numbers. The Company has agreed to provide full disclosure to customers of their ability to purchase Caller ID display units from other retailers.

Call Trace will be available at \$1 per successful activation and will be available to all customers without a prior request. The Company and Department have reached agreement on how long the Company should retain Call Trace data. The Company and the Department have stipulated that pay phone blocking will not be required, which is consistent with Commission decisions in other dockets.

The Commission will approve the amended proposal, set consumer education guidelines, and set filing and reporting requirements to aid regulatory review.

III. Consumer Education, Filing, and Reporting Requirements

The Company's amended proposal is approved, subject to compliance with the June 17 and December 3, 1993 CLASS Orders and the customer education, reporting, and filing requirements set forth below.

A. Customer Education

As the Commission emphasized in the June 17 and December 3, 1993 Orders, public understanding of CLASS services is essential if they are to achieve their potential for giving customers more control over how the telephone affects their lives. Public education programs therefore play a major role when companies introduce CLASS services.

For the most part the educational materials filed by the Company are clear, accurate, and complete. As a final check, the Company's customer education mailing must be approved by Commission staff before mailing. (The Company may of course choose Commission review over staff review; staff review is offered as a means to expedite implementation of the service.)

The Commission agrees with the Department that it is important for the Company, which plans to sell and lease Caller ID display units, to inform customers these units are available from competing retailers. The Company will be required to file a letter confirming that it will inform customers these units are available from other retailers and explaining how it will do so.

Customer education materials should clearly explain CLASS activation codes, blocking options and procedures, and procedures for verifying that requested blocking options have been activated. They should also contain clear and complete information on how to use Call Trace.

Finally, law enforcement agencies are uniquely affected by CLASS services, especially Caller ID and Call Trace. The Commission will therefore require the Company to file a report on its contacts with law enforcement agencies before it activates Caller ID and Call Trace.

B. Tariff Filing

The Company will be required to file tariff revisions adequately describing its amended proposal. Those revisions should include, but should not necessarily be limited to, the following items:

- (1) a description of the services offered, their rates, and the exchanges in which they will be offered;
- (2) a description of Call Trace procedures, including procedures necessary for customers to take further action after using Call Trace to trace a harassing call;
- (3) the standards the Company will use to evaluate requests for line blocking by business customers not automatically entitled to it under the June 17 and December 3 Orders, together with the appeal procedures available to such customers.

C. Reporting Requirements

In its June 17 and December 3, 1993 Orders the Commission established detailed annual reporting requirements for companies offering CLASS services. The Commission also required an annual report from the Department, which is to include the Department's assessment of public acceptance of CLASS services and its recommendations on how CLASS services should be structured in the future.

The Commission continues to believe regulatory monitoring and oversight are necessary to ensure that this new technology is deployed to serve the public interest. The Commission will therefore require the following additional reports from the Company.

First, the Company will be required to give at least 60 days notice before making any changes to its CLASS service offering or offering any CLASS service in conjunction with any other telephone company or telecommunications carrier.

Second, to help the Commission evaluate the performance of CLASS services and make informed decisions on what shape they should take in the future, the Company will be required

to maintain clear records on customer complaints. Copies of these complaints will be furnished to the Department upon request and summaries will be filed with the Company's annual CLASS report.

Finally, the Company will be required to work closely with the Department in providing any information the Department needs to fulfill its annual reporting responsibilities.

IV. Time for Class Implementation Extended

Minn. Stat. § 237.75, subd. 3 (Supp. 1993) requires telephone companies providing service in the seven-county metro area to offer CLASS services in that area by January 1, 1995, unless the Commission grants an extension to a date certain. The Company will not be able to meet that deadline and still comply with the pre-implementation consumer education requirements of the June 17 and December 3, 1993 Orders. Among other things, those Orders require that residential customers have at least 30 days before the service goes into effect to exercise their right to line blocking.

The Commission continues to see great value in requiring comprehensive consumer education well before CLASS services become operational. This is especially important, of course, for persons and organizations with heightened privacy and security needs, such as victims of domestic violence and the programs that serve them. Even consumers without special needs, however, will benefit from having a thirty-day period to make informed decisions about line blocking and other CLASS features.

The Commission will therefore grant the Company an extension of 90 days from the date of this Order to comply with the statutory mandate to offer CLASS services to customers in the seven-county metropolitan area.²

ORDER

1. The Company's petition for reconsideration is granted.
2. The Company's proposal to offer CLASS services is approved, as modified herein.
3. Within ten days of the date of this Order the Company shall file revised tariffs reflecting its revised proposal and the revisions and clarifications required herein.
4. Within ten days of the date of this Order the Company shall file a letter confirming that it will inform customers that Caller ID display units are available from other retailers and describing how it intends to do so.
5. The Company shall serve copies of its proposed final customer education materials on the Department and the Residential Utilities Division of the Office of the Attorney General.
6. The Company shall not offer any CLASS service until its filed tariffs and customer education materials have been approved by the Commission or Commission staff. Its customer education materials shall include, but shall not necessarily be limited to, the items listed in this Order.

² The Commission notes that United has already received longer time extensions for its Lester Prairie and Plato exchanges, where prohibitive costs and small numbers of customers (25 in all) make it unreasonable to enforce the statutory deadline.

7. The Company shall not offer Caller ID or Call Trace until it has filed with the Commission a report detailing its contacts with all law enforcement agencies in its service area and their responses.

8. The Company shall notify the Commission and the Department at least 60 days in advance of any plan to make any change in its CLASS services or to provide any CLASS service or SS7 technology in conjunction with any other telephone company or telecommunications carrier.
9. The Company shall keep clear and accurate records of all complaints filed in regard to CLASS services. The Company shall provide copies of such complaints to the Department upon request and shall file summaries of such complaints with its annual CLASS report.
10. The Company shall work closely with the Department in providing any information the Department considers necessary to prepare its annual reports on CLASS services.
11. The Company shall file for review and approval by the Commission or its staff all future educational materials on CLASS services.
12. United Telephone Company of Minnesota is granted an extension of time under Minn. Stat. § 237.75, subd. 3 (Supp. 1993) to begin offering CLASS services to customers in the seven-county metro area.
13. CLASS services shall be offered to customers in the seven-county metro area, with the exception of customers in the Lester Prairie and Plato exchanges, within 90 days of the date of this Order.
14. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)