

P-430/EM-95-299

ORDER APPROVING PROPOSED SERVICE AND ITS CLASSIFICATION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Tom Burton
Marshall Johnson
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Chair
Commissioner
Commissioner
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Commissioner

In the Matter of the Petition of United Telephone for the Introduction of Digital Trunking Service and Its Classification as a Service Subject to Emerging Competition

ISSUE DATE: November 9, 1995

DOCKET NO. P-430/EM-95-299

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PROCEDURAL HISTORY

On April 5, 1995, United Telephone Company (United or the Company) filed revisions to its Intrastate Access Service Tariff and Price List to introduce Digital Trunking Service as a new service. Digital Trunking Service provides digital access transport between the central office and a customer's PBX or key system.

On the same date, United filed a petition requesting the Commission to classify Digital Trunking Service as subject to emerging competition under Minn. Stat. § 237.59, subd.2(b) and (c), and Minn. Rules, part 7829.2300.

On April 17, 1995, the Department of Public Service (the Department) filed comments recommending approval of United's proposal.

On April 17, MCI Telecommunications Corporation (MCI) and AT&T filed comments objecting to United's proposal.

United filed a response on April 27, 1995.

On October 17, 1995, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

I. THE UNITED PROPOSAL

United proposed the classification of its Digital Trunking Service pursuant to Minn. Stat. § 237.59, subds. 2(b) and(c). Minn. Stat. § 237.59, subd. 2(b) requires the Commission to determine the appropriate classification for a service offering, if a Company's proposal for competitive status is challenged. Minn. Stat. § 237.59, subd. 2(c) provides as follows:

A new service may be classified as subject to effective competition or emerging competition pursuant to the criteria set forth in subdivision 5. A new service must be regulated under the emerging competition provisions if it is not integrally related to the provision of adequate local service or access to the telephone network or to the privacy, health, or safety of the company's customers, whether or not it meets the criteria set forth in subdivision 5.

United also stated that its service fits the definition of emerging competition found at Minn. Stat. § 237.57, subd. 4:

A service will be regulated under "emerging competition" provisions when the criteria of section 237.59, subdivision 5, have not been satisfied, but there is a trend toward effective competition, or if it is a new service offered for the first time after August 1, 1994, that is not integrally related to the provision of adequate telephone service or access to the telephone network or to the privacy, health, or safety of the company's customers, whether or not it meets the criteria of section 237.59, subdivision 5.

United stated that Digital Trunking Service is an option offered to large customers to enhance their telecommunications systems. Such an offering, United argued, is not an essential service and is not integrally related to the provision of adequate telephone service or access to the telephone network or to the privacy, health or safety of the Company's customers. United also argued that Digital Trunking Service is a new service offering, first offered after August 1, 1994.

For these reasons, United stated, its Digital Trunking Service must be classified as emergingly competitive.

II. POSITIONS OF THE PARTIES

The Department reviewed United's proposed offering and agreed that it should be classified as emergingly competitive.

AT&T and MCI objected to United's proposed classification of its Digital Trunking Service. They argued that Digital Trunking Service is a form of access service, which the Commission has traditionally considered as noncompetitive. Because the service is simply a variation of an existing offering, AT&T and MCI argued, it was not first offered after August 1, 1994. The companies argued that United's proposed Digital Trunking Service fails to conform to the definition of emerging competition under Minn. Stat. § 237.57, or to meet the standards of the statute under Minn. Stat. § 237.59.

III. COMMISSION ACTION

United's Digital Trunking Service can be used as an enhancement or an alternative to existing services. The service allows PBXs and other large customers to connect to the central office at a specified transmission rate. United's Digital Trunking Service is comparable to US WEST's

Digital Switched Service, an offering which has previously been classified as emergingly competitive. Docket Nos. P-421/EM-95-482; P-421/EM-89-694.

The Commission finds that United's Digital Trunking Service is functionally different from existing access services which remain classified as noncompetitive. It is functionally equivalent to a US WEST service which is classified as emergingly competitive. The Commission agrees with United that the service is not integrally related to the provision of telephone service or to customer privacy, health, or safety. For these reasons, the Commission finds that United's Digital Trunking Service meets the statutory standards for classification as emergingly competitive.

The Commission finds that the terms of United's proposed service are reasonable and that they conform to statutory requirements. The Commission will approve United's Digital Trunking Service.

ORDER

1. The Commission approves United's proposed Digital Trunking Service and its proposal to classify the service as subject to emerging competition.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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