BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 92-622-C - ORDER NO. 93-111

JANUARY 28, 1993

IN RE: Request of GTE South, Inc. and Contel of South Carolina, Inc. for Approval of Revisions to its Facilities for Intrastate Access Tariff (Ref. Tariff Nos. 92-221 & 92-222)	)))))	ORDER GRANTING MOTION, APPROVING TARIFF AND CLOSING DOCKET

On October 9, 1992, GTE South, Inc. (GTE) and Contel of South Carolina, Inc. DBA GTE (Contel) (the Companies) filed requests with the Public Service Commission of South Carolina (the Commission) for approval of revisions to their Facilities for Intrastate Access Tariffs. The purpose of these filings was to introduce Signaling System 7 (SS7) Out of Band Signaling as a non-chargable access optional feature and to waive on a temporary basis the non-recurring capital switched, capital access, capital ordering charges for service rearrangements to establish 800 SAC Access trunk groups from the access tandem to the customer designated locations in order to provide 800 SAC Access Service equipped with SS7 Out of Band Signaling.

The Commission's Executive Director instructed GTE and Contel to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the

Notice of Filing was to inform interested parties of GTE's and Contel's Application in the manner and time in which to file the appropriate pleadings for participation in the proceeding. GTE and Contel complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate).

Subsequently, the Consumer Advocate filed a Motion for Paper Hearing (MPH). The Motion requested that this Commission consider the matter through filings from both it and the Companies. Accompanying the Motion was the position of the Consumer Advocate on the matter. Subsequently, the Companies filed their position paper on the matter. The Commission hereby grants the Consumer Advocate's Motion for a Paper Hearing, and will now decide the matter before us.

According to the Company, SS7 Out of Band Signaling denotes signaling information carried over a communications path separate from the voice path. SS7 Out of Band Signaling would permit faster call setup, faster call completion, and faster call teardown. SS7 Out of Band Signaling is less susceptible to fraud, since devices illegally simulating and sending multi-frequency signaling tones over the conventional signaling/voice network will not work on the SS7 network. The separation of the signaling and voice functions, according to the Companies, allows voice transmissions to utilize the complete band width of the trunk, resulting in reduced trunk

quantities and greater network efficiency. Also, according to the Company, while providing greater signaling capacity and equal or better signaling quality than MF signaling, SS7 Out of Band Signaling, at the same time, is also more efficient.

The comments of the Consumer Advocate reveal opposition to the tariff. The Consumer Advocate states that the filings on SS7 are a good example of how basic local exchange services are and have been footing the bill for enhanced and competitive services. According to the Consumer Advocate, the cost for this tariff cannot be directly identified and, therefore, the service is being given away. The Consumer Advocate goes on to state that local ratepayers using basic voice exchange services will be forced to pay for the entire conversion of the network to an intelligent network even though they do not benefit from it to any great extent if the companies tariff is adopted as submitted. In the current case, the Consumer Advocate believes that the installation of SS7 and the Company's tandem will not provide any enhanced services such as Caller I.D. to basic local customers. The Consumer Advocate believes that SS7 would have to be installed in the Company's central offices to provide these services. Therefore, the Consumer Advocate believes that the Commission should reject this tariff until the network improvement provides benefits to basic local customers and that all costs should be assigned to access.

The Commission has considered this matter and believes that the benefits as stated by the Company outweigh the potential

detrimental effects as stated by the Consumer Advocate. The Commission believes that SS7 signaling has many benefits including reduced susceptibility to fraud and greater network efficiency. Also, this intrastate access tariff revision enhances the ability of the IXCs to market access services. These tariff revisions would allow the functions of a network upgrade to be extended, as a tariff option, to the Interexchange Carriers (IXCs). The network upgrades referenced in the tariff are those functions attributable to the addition of the Signaling System 7 (SS7) process to the Companies' network infrastructure. The upgrade of the network is part of a nationwide effort to add productivity to the network. The SS7 capability in the network allows for a query and response protocol that improves the network capabilities for access, toll, and exchange functions. The costs of the SS7 enhancements to the network have been incurred in order to provision a variety of products that either maintain or develop new revenue streams for the Companies. These products may be access related, toll related or local in nature. The SS7 network will be used for 800 type calling in the future, as well as to verify toll credit card calls and to provide local and/or toll CLASS services. Since the costs are joint costs, it is only reasonable and prudent to allocate the costs in a manner that the Commission has already accepted. That manner is Part 36 of the FCC's Rules and Regulations which is used as the guideline to allocate joint costs to the different jurisdictions based upon relative usage. We therefore believe that

the tariff for approval of revisions to the Company's access service tariffs allowing the introduction of Signaling System 7 Out of Band Signaling as a non-chargable Switched Access Optional feature should be approved as filed with this Commission.

IT IS THEREFORE ORDERED:

1. That the request for approval of revision of the access service tariffs of GTE South and Contel of South Carolina for the purpose of the introduction of Signaling System 7 (SS7) Out of Band Signaling as a non-chargable Switched Access Optional feature is hereby approved as filed.

2. That this Docket is hereby closed.

3. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Chairman

ATTEST:

Executive Director
(SEAL)