

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) **GTA DOCKET 12-01**
)
GTA TELECOM LLC INDIVIDUAL) **ORDER**
CASE BASIS FILING)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the filing of GTA Telecom LLC [GTA] to establish an Individual Case Basis arrangement with the Joint Region Marianas, Guam (Naval Base Guam, Andersen Air Force Base, and Associated Annexes) ["JRM"] pursuant to GTA's ICB Tariff.¹
2. GTA's proposed tariff for ICB arrangements was previously approved by the PUC in Docket 05-03. The Individual Case Basis Tariff, originally filed by GTA as Tariff Transmittal No. 11 on December 1, 2008, contains three conditions: a] ICBs will be offered only to business or government customers having or ordering more than 10 access lines; b] Rates for services provided under competitive bids shall not exceed the tariff prices where specific charges are provided in the tariff; c] The ICB prices contained in any contract should be available to any similarly situated customer.²

BACKGROUND

3. JRM, through its contracting office, issued a competitive bid for Communication Services through the Joint Region Marianas, FA8773-12-C-006. GTA was awarded the contract for provision of Communications Services to JRM on November 9, 2011.³ GTA will be providing a broad range of telecommunications services to JRM covering voice and data. GTA is requesting an ICB pricing on the following services:

¹ GTA Telecom LLC filing for an Individual Case Basis Arrangement, GTA Docket 12-01, filed February 1, 2012.

² GTA Telecom LLC Filing of Individual Case Basis Tariff, filed December 1, 2008.

³ GTA Telecom LLC filing for an Individual Case Basis Arrangement, GTA Docket 12-01, filed February 1, 2012, Exhibit C.

Product
Direct Inward Dial Numbers Assignments
Basic Business B-1 Line
ISDN-PRI
DS1-Local
DID Trunk

4. In GTA Docket 11-04, the PUC confirmed that there are three criteria that GTA must establish in its ICB filing before an ICB arrangement can be approved. GTA must: (a) offer more than 10 access lines for business or governmental customers and shall not exceed the tariff prices, where specific charges are provided in GTA's tariff; (2) consistent with PUC's confidentiality rules, file with PUC each ICB contract upon execution together with analysis which establishes that the contract prices exceed incremental cost as determined using the long run incremental cost [LRIC] standard; and (3) establish that ICB prices contained in any contract shall be available to any similarly situated customer.⁴
5. On February 22, 2012, GTA requested a continuation of the hearing scheduled for that evening on GTA's ICB application.⁵
6. GTA stipulated to a suspension order of GTA's ICB application until it was acted upon by the PUC.⁶
7. On February 22, 2012, Pacific Data Systems Inc. filed public comment opposing the ICB application of GTA and requesting that the Commission issue a suspension order.⁷
8. At its meeting on February 22, 2012, the PUC approved the stipulation of GTA suspending GTA's ICB application until further action by the PUC.
9. On February 23, 2012, GCG filed a "CONFIDENTIAL" Report therein.⁸ GCG found that, based upon the Commission's rules, "an ICB at \$0.10 per number to the

⁴ PUC Order Re: PDS Request for Reconsideration/Re-Hearing and IT&E Petition for Rehearing, GTA Docket 11-04 dated May 16, 2011; ALJ Report, GTA Docket 11-04, dated June 13, 2011.

⁵ Email from Serge Quenga, GTA Legal Counsel, to PUC Legal Counsel, GTA Docket 12-01, dated February 22, 2012.

⁶ Email from Serge Quenga, GTA Legal Counsel, to PUC Legal Counsel, GTA Docket 12-01, dated February 22, 2012.

⁷ Email from John Day, President, Pacific Data Systems, GTA Docket 12-01, filed February 22, 2012.

⁸ GCG Report re GTA Telecom ICB Tariff for DID Services, GTA Docket 12-01, filed February 23, 2012.

Department of Defense is justified because DoD meets the size requirement and the price is not considered predatory.”⁹

DETERMINATIONS

10. In this case, GTA satisfies the requirement that it offer ICB pricing to a government customer with more than 10 lines. GTA offers 140 business lines to JRM and four ISDN-PRI. As previously established in GTA Docket 11-08, an ISDN-PRI, with its 23 voice channels, equates to at least five end user common lines. The DS1 and DID Trunks serve multiple channels.
11. GTA has filed, as Exhibit B to its Petition, the GTA LRIC like methodology for GTA’s offering of Direct Inward Dial Numbers Assignments, Basic Business B-1 Lines, ISDN-PRI, DSI-Local, and DID Trunk to JRM.¹⁰
12. The LRIC studies filed by GTA, with separate studies filed for ISDN-PRI, B1 lines, DID Number Assignment, DS1 Local, DID Trunk, and 2-wire/4-wire dry copper, indicate that the costs for such services are above the average incremental costs developed in the LRIC studies. The offered contract prices for such services exceed the incremental costs as determined using the LRIC-like standard.¹¹ However, approval of the dry copper transport services to JRM should be conditioned upon submission by Telecom of an LRIC study which established that the costs for such services are above the average incremental cost.
13. GTA has also demonstrated that the rates for the aforementioned services provided under the contract do not exceed the tariff prices where specific charges are provided in the tariff.
14. In this Docket, unlike Docket 05-03, an individual case basis filing is proposed and not an established tariff. Given that GTA is providing approximately 800 Direct Inward Dial Number Assignments to JRM, a reduction in rate can be justified. GTA has proposed the same charge for the Government of Guam in a separate bid. Thus it appears that GTA meets the requirement that it provide the ICB rate to similarly situated customers.

⁹Id. at p.1.

¹⁰ Id., Exhibit B.

¹¹ Id.; GTA filed its LRIC like study on dry copper pairs on March 26, 2012. The LRIC study indicates that the price offered by GTA to JRM for dry copper wire in the contract is above incremental cost.

15. The discussion by Legal Counsel in his Report of the concerns raised by PDS is hereby adopted. The concerns expressed by PDS do not serve as a basis for denying GTA's application. Such concerns will be addressed in the appropriate dockets.
16. Both GCG and Legal Counsel have found that GTA's ICB Application for JRM satisfies the Commission's requirements for an ICB filing. Under the applicable requirements for an ICB filing, there is no basis upon which to deny GTA's application.
17. However, notwithstanding PUC approval of the ICB, there remains an issue as to whether the ICB pricing for JRM is discriminatory in comparison with the rates for non-DoD customers. The establishment of a new docket/proceeding is necessary to determine whether the significant difference in the pricing for DID numbering services to the DoD and Non-DoD customers is discriminatory.
18. The PUC should authorize the Administrative Law Judge to institute a separate docket for the purpose of determining whether the DID rates for non-DoD customers are discriminatory, and what rates are appropriate for DID services for non-DoD customers.

ORDERING PROVISIONS

Upon consideration of the record herein, GTA's ICB filing for JRM, the PUC Legal Counsel Report, and the GCG Report, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. GTA's Individual Case Basis Filing dated February 1, 2012, properly satisfies the three ICB Tariff conditions set forth in the PUC Order dated February 15, 2008 and is hereby approved; however, the PUC authorizes the ALJ to institute a separate docket for the purpose of determining whether DID rates for non-DoD customers are discriminatory, and what rates are appropriate for non-DoD customers.
2. The findings and recommendations in the PUC Counsel Reports dated February 20, 2012, and the GCG Report filed February 23, 2012, are hereby adopted and approved.
3. GTA's ICB filing properly establishes, through its LRIC-like studies, that the prices far exceed incremental cost as determined using the LRIC study

4. The ICB pricing offered by GTA to JRM should be in accordance with the price represented in Exhibits B and C to its Petition.
5. The ICB prices contained in the contract with JRM shall be available to any similarly situated customer.
6. GTA is ordered to pay for the PUC's regulatory fees and expenses incurred in this Docket, including, without limitations, consulting and counsel fees and expenses. Assessments of the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), 12104, 12103, the Rules Governing Regulatory fees for Telecommunications Companies, and Rule 40 of the Rules of Practice and Procedure before the PUC.

Dated this 26th day of March, 2012.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner