

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	GTA DOCKET 12-01
)	
GTA TELECOM LLC INDIVIDUAL)	PUC COUNSEL REPORT
CASE BASIS FILING)	
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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
3. In addition, GTA must submit an "LRIC-like" analysis which establishes that the contract price offered to JRM exceeds GTA's incremental cost.³

BACKGROUND

4. 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, 2011.⁴ GTA will be providing a broad range of telecommunications services to JRM

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 PUC Order, Docket 05-03, filed October 3, 2008, at p. 2.

⁴ GTA Telecom LLC filing for an Individual Case Basis Arrangement, GTA Docket 12-01, filed February 1, 2012, Exhibit C.

covering voice and data. GTA is requesting an ICB pricing on the following services:

Product	Qty
Direct Inward Dial Numbers Assignments	800
Basic Business B-1 Line	140
ISDN-PRI	4
DS1-Local	7
DID Trunk	5

5. Along with its filing, GTA has provided confidential LRIC-like cost studies which indicate its incremental cost for each of the five product services set forth in paragraph 4 above.⁵
6. Issues concerning the standards and criteria for an ICB were resolved in GTA Docket 11-04. There 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.⁶

ANALYSIS

7. In this case, GTA seeks to 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.
8. Consistent with PUC's confidentiality rules, GTA is required to file with PUC each ICB contract and analysis which establishes that the contract prices exceed

⁵ Id. at Exhibit B.

⁶ 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.

incremental cost as determined using the long-run incremental cost [LRIC Standard]. In compliance with this requirement, GTA has filed Exhibit B to its Petition, the GTA LRIC 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.⁷

9. The LRIC studies filed by GTA, with separate studies filed for ISDN-PRI, B1 lines, DID Number Assignment, and T1, indicate that the cost 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.⁸
10. In this Docket, GTA has used the same methodology that GCG proposed in 2008 and the PUC approved. 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. On February 17, 2012, GTA filed its "GTA ICB Filing Tariff Rates".⁹
11. Previously, in Docket No. 05-03 [GTA TeleGuam Tariff Transmittals #8 & 11], the Commission had considered a proposed tariff by GTA whereby it would establish a DID number charge of \$0.10 per DID number (based on a 100 number block) for the Department of Defense, whereas the rate applicable to other business customers of GTA would be \$2.00 per number (based on the first 100 number block) and \$1.00 per number (based on additional 100 number blocks).¹⁰ The Commission made no ruling as to whether a \$0.10 charge per DID number for the Department of Defense was "discriminatory" in relation to the tariff rates applicable to other business customers. GTA was allowed to withdrawal its proposed tariff submittal.¹¹
12. 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. Counsel also notes that 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.

⁷ Id., Exhibit B.

⁸ Id.

⁹ GTA ICB Filing Re: Tariff Rates, GTA Docket 12-01, filed February 17, 2012.

¹⁰ PUC Order, Docket No. 05-03 [GTA TeleGuam Tariff Transmittals #8 & 11], issued February 26, 2009.

¹¹ Id.

RECOMMENDATION

13. The PUC should approve GTA's Individual Case Basis filing dated February 1, 2012. The proposed services to JRM are provided at prices above the average costs determined by the LRIC-like studies. For the services provided, GTA has satisfied the three conditions for approval of an ICB arrangement as set forth in the PUC Order issued on February 15, 2008.
14. The ICB pricing offered by GTA to JRM should be in accordance with the price represented in Exhibits B and C to its Petition.
15. A draft Order is submitted to the Commission for its consideration.

Dated this 20th day of February, 2012.

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