

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

<p>IN RE:</p> <p>TELECOMMUNICATIONS MARKET MONITORING SURVEY FOR LOCAL VOICE SERVICES IN IOWA</p>	<p>DOCKET NO. NOI-05-3</p>
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**ORDER INITIATING INQUIRY AND GRANTING CONFIDENTIALITY**

(Issued September 21, 2005)

**BACKGROUND**

On May 7, 2004, the Utilities Board (Board) initiated a deregulation proceeding on its own motion, pursuant to Iowa Code § 476.1D (2003) and 199 IAC 5.3(1) (2003), identified as Docket No. INU-04-1, to consider whether local exchange service to business customers in 21 specific Iowa communities was subject to effective competition and should be deregulated.

On December 23, 2004, the Board issued its "Final Decision and Order" in that proceeding and determined that effective competition was present in 20 of the 21 identified communities. Accordingly, the Board deregulated residential and business local exchange services in those markets. Also as part of the December 23, 2004, order, the Board retained service quality regulation over all telecommunications service providers in those communities pursuant to Iowa Code § 476.1D(5) and noted that it would continue to monitor the markets identified in the December 23, 2004, order through the use of competition surveys.

On March 15, 2005, Governor Vilsack signed into law an act, identified as House File 277 (HF 277), which amended Iowa Code §§ 476.1D and 476.55. The amended statute deregulates retail rates for most local exchange communications services in Iowa except for single line flat-rated residential and business rates. Rates for these services are initially set at the corresponding rates charged by each rate-regulated utility as of January 31, 2005. These monthly rates may be increased by up to \$1 per year for residential service, or \$2 per year for business service, beginning July 1, 2005, until June 30, 2008. Effective July 1, 2008, the retail rate jurisdiction of the Board shall not be applicable to any local exchange service unless the Board elects to extend its jurisdiction over single line flat-rate services, if such an action is necessary for the public interest.

### **NOTICE OF INQUIRY**

The Board is initiating this inquiry for two purposes: first, to collect data from local telecommunications service providers in Iowa and, second, to receive public comment concerning other market monitoring measures.

#### **1. Local Exchange Surveys**

Data collection will be conducted through the use of two separate survey instruments; one will be sent to all local voice service providers in Iowa, while the second will be sent only to price regulated local carriers.

The survey that will be sent to all local service providers, identified as the "2005 Telecommunications Market Monitoring Survey for Retail Local Voice

Services," will be used to obtain an overview of the status of local exchange competition in Iowa. The survey will be sent to all local service providers as well as to companies that utilize wireline, wireless, cable telephony, and Voice over Internet Protocol (VoIP) for the provision of service. A copy of this survey is attached to this order.

The survey that will be sent to all price regulated carriers, identified as "2005 Single Line Flat-Rated Retail Residential and Business Retail Connection Count Survey for Price Regulated Companies," will be used to obtain a count of the number of connections being used to provide local single line flat-rated residential and business service connections. A copy of this survey is also attached to this order.

The Board directs that each company receiving a copy of this order shall complete the appropriate survey using data obtained as of July 1, 2005, and return it to Board staff on or before October 17, 2005. Electronic versions of the surveys should be sent to [IUBSurveys@iub.state.ia.us](mailto:IUBSurveys@iub.state.ia.us). Questions regarding the surveys may be directed to Larry Stevens as the Inquiry Manager for this docket at (515) 281-4725, e-mail [larry.stevens@iub.state.ia.us](mailto:larry.stevens@iub.state.ia.us).

## **2. Other Market Monitor Measures**

The Board intends to monitor the competitive status of local exchange service in Iowa through a variety of means, in addition to the surveys initiated by this order. This information will be helpful in determining whether to extend price regulation in 2008. It will also help to ensure that the markets are, and continue to be, subject to

effective competition. The Board is seeking public comment concerning the best way to fulfill this task. This includes comments on the market monitoring measures the Board is proposing to initiate and comments on additional steps the Board should consider.

First, the Board will conduct periodic spot checks of the status of telecommunications competition in selected exchanges. Initially, the exchanges will be selected to obtain a representative sample of various market conditions. The Board will review retail prices and advertising efforts in order to obtain the customer's view of the market. Thus, the Board does not expect it will have to obtain information by means of frequent surveys or other requests directed to the companies involved. Instead, the focus will be on Web sites and other advertising from each of the competitors, including wireless service providers that actually provide service in the exchange.

Second, the Board will monitor competition through formal and informal complaints it receives, including customer complaints and complaints between competitors. If the Board receives numerous, serious, or well-substantiated complaints regarding a particular company or concerning a single market, it may be appropriate for the Board to initiate its own investigation. Because these complaints may take many forms, it is difficult for the Board to describe all of the possible courses of action at this time, but the Board is interested in comments concerning this option.

Third, the Board will monitor competition through a fifth broadband survey data collection effort. The information obtained through this effort can provide an indication as to the availability of high-speed Internet access throughout Iowa and identify broadband service providers that have the capability of providing VoIP services.

In addition, the Board is interested in receiving public comment concerning other activities or actions the Board should consider as part of its monitoring efforts.

Once the Board has reviewed the initial comments, it will determine if additional questions need to be addressed and in what format. Comments shall be filed with the Board on or before November 7, 2005. Questions about the docket should be addressed to Mr. Stevens, (515) 281-4725, e-mail [larry.stevens@iub.state.ia.us](mailto:larry.stevens@iub.state.ia.us).

### **CONFIDENTIAL TREATMENT**

In this proceeding, the Board requests survey responses from all local voice service providers in Iowa. These responses will include information that many carriers consider to be trade secrets or otherwise entitled to confidential treatment. Therefore, the Board will grant confidential treatment for the individual company information submitted in the updated survey responses pursuant to Iowa Code §§ 22.7(3) and 22.7(6).

Iowa Code § 22.7(3) provides confidential treatment for trade secrets, which are recognized and protected as such by law. The material requested of the carriers

includes specific line count information. The Board finds that line count information constitutes a trade secret under Iowa Code § 550.2(4) as it derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means, by a person able to obtain economic value from its disclosure. The Board finds that this information, if released, would provide an advantage to competitors.

Iowa Code § 22.7(6) provides confidential treatment to public records that are reports to government agencies and which, if released, would give advantage to competitors and serve no public purpose. The Board finds that the responses to the updated survey constitute a report to a government agency and the Board finds that the release of the information would serve no public purpose.

At this time, the Board anticipates that orders or reports issued in this docket will not discuss or include individual company confidential information. However, they may include aggregated information and other information in a format such that it will not be possible to reconstruct company-specific confidential information with any degree of precision. However, it is too early to predict the requirement of the orders or reports at this time, and the Board therefore expressly reserves the right to use any of this information in its orders or reports, if necessary. Before doing so, the Board will give the affected company or companies notice pursuant to 199 IAC 1.9.

**ORDERING CLAUSES**

**IT IS THEREFORE ORDERED:**

1. An inquiry identified as Docket No. NOI-05-3 is initiated relating to market monitoring for local telecommunications services in Iowa.
2. Responses to the surveys described in this order are to be filed with the Board on or before October 17, 2005.
3. Comments from interested parties regarding the market monitoring strategies raised in this docket are to be filed with the Board on or before November 7, 2005.
4. The information contained in the survey responses shall be held confidential by the Board subject to the provisions of 199 IAC 1.9(8)"b"(3).

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 21<sup>st</sup> ay of September, 2005.

**Iowa Utilities Board**  
**2005 Telecommunications Market Monitoring Survey for Retail Local Voice Services**  
**Docket No. NOI-05-3**  
**Survey Instructions and Guidelines**

This survey only addresses retail local voice services being provided to consumers within the state of Iowa. This survey instrument is divided into two sections. Part I requests a physical count on the number of customer connections or functional equivalent facilities for which a service provider is billing consumers for retail local voice service. Part II requests information on the recurring monthly pricing of the retail local voice services offered to consumers. All requested information is as of **July 1, 2005**. Listed below are a few definitions to help define the scope of this survey.

“Local service” means telephone service furnished between customers or users located within an exchange or service area.

“Exchange area” or “service area” means the general area in which the telephone utility holds itself out to furnish local telephone service.

For the purpose of this survey, Retail Local Voice Service Connections or the functional equivalent facilities are revenue producing and provide voice grade access to the public switched network. The connections also utilize telephone numbers included in Numbering Plan Areas (NPAs) assigned to Iowa and monitored by the North American Numbering Plan Administrator (NANPA).

**PART I: Customer Connections**

The purpose of this portion of the survey is to obtain actual counts of the number of retail local voice service connections being furnished by each service provider to end users or customers in the various communities of Iowa. Many different types of facilities and technologies are being used within the state to provide retail local voice services. Count customer connections based on how customers are billed rather than how services are provisioned. **See the Example on Page 3.**

Column ----- Column Description ----- Explanation

(a) Community Name – Community Name

(Note: Wireless and VoIP providers may need to use the customer billing addresses to determine the community name.)

- (b) Exchange Name or Service Area – General area or location where the service provider holds itself out to furnish retail local voice service.
- (c) Service Provider Type – Incumbent or Competitor
- (d) How the Service is Provisioned:  
 F = Service provided using facilities owned by the service provider.  
 U = Service provided using leased or purchased UNEs, QPPs, or similar types of leased network elements.  
 R = Service provided through the use of resold services (resale).  
 C = Service provided by using any combination of owned facilities, resale, and/or leased network elements.  
 If service is being provisioned by two or more methods, please provide the count of the number of connections for each method in column (f).
- (e) NPA-NXX – Each number plan area-NXX as utilized in the provision of retail local voice service.
- (f) Number of Retail Local Service Connections or Functional Equivalent for Each NPA-NXX – This is the numerical count of the quantity of retail local voice connections provided to end users. Please provide counts of the number of connections provided through the use of each method of service provisioning (F,U,R, & C) as identified in column (d) and, if possible, identify the service being provided as being residential (RES) or business (BUS). If offered services are not distinguished as either residential or business, enter the counts in the combination (COMB) column. **See example below.**

**PART I: Customer Connections - Example**

Community Name (a)	Exchange Name or Service Area (b)	Service Provider Type: I=Incumbent C=Competitor (c)	How the Service is Provisioned: F = Facilities Based U = UNEs R = Resale C = Combination (d)	NPA-NXX (e)	Number of Local Voice Service Connections or Functional Equivalents for Each NPA-NXX (f)		
					RES	BUS	COMB
Example City	Example City	C	F	563-852	25	32	
			U	563-852	10	2	
			R	563-852	22	40	
			C	563-852	10	15	

## **PART II: Pricing Information**

The purpose of this portion of the survey is to obtain pricing information on the most popular retail local voice service offerings. Local service providers often provide numerous calling plans for consumers and local service plans vary by service provider. Please list your top three business and residential plans with the percentage of customers utilizing each service.

### **Column ----- Column Description ----- Explanation**

- (g) Top Three Services or Plans for Both Residential and Business Local Voice Services - Common name of the most popular local voice services or local voice service plans as sold by the service provider. Identify if each service or plan is offered to residential, business, or all customer classes.
- (h) Percentage of Customers Utilizing Each Service or Service Plan - Percentage of customers utilizing each service plan as listed in column (g).
- (i) Monthly Rate – Recurring monthly dollar amount for the service being provided.
- (j) Recurring Monthly End User Charges – Charges added to the consumer billing as part of the charges for receiving service (Example - subscriber line charge).
- (k) Other Monthly Recurring Charges – Charges that are added to the end users bill that are not usually considered to be part of the rates for recovering the costs associated with the service. These charges could include assessments for 911/E911, property tax surcharges, number portability charges, or local fees, taxes, and surcharges. **Do not include federal universal service charges, state taxes, or federal taxes.** Please identify each charge.
- (l) Service or Service Plan Details – Briefly describe the service and the components of each plan. Explanations could include: residential single line service, business multi-line service, includes custom calling features, regional calls included, 500-minute plan with 120 minutes of 7 AM to 7 PM usage, etc.

### **Other Information:**

Should you have questions concerning this survey or desire to have an electronic copy, visit our Web site at [www.state.ia.us/iub/](http://www.state.ia.us/iub/). You may also contact Larry Stevens at (515) 281-4725 or at [larry.stevens@iub.state.ia.us](mailto:larry.stevens@iub.state.ia.us). Survey forms are to be completed and returned on or before **October 17, 2005**. Completed forms should be sent to: Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, IA 50319-0069. Those wishing to send e-mails with electronic versions of the surveys attached should send them to [IUBSurveys@iub.state.ia.us](mailto:IUBSurveys@iub.state.ia.us).

**Iowa Utilities Board  
2005 Telecommunications Market Monitoring Survey for Retail Local Voice Services  
Docket No. NOI-05-3  
Data as of July 1, 2005**

Company Name \_\_\_\_\_ Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail \_\_\_\_\_

1.) Does your company currently provide retail local voice telecommunications services in the State of Iowa?

Yes  No

2.) If yes, what type of service provider:

ILEC  CLEC  Cable  Wireless  VoIP  Other  Explain: \_\_\_\_\_

3.) Please use the worksheet formats in the following two pages to provide information on the communities and locations in Iowa where you provide retail local voice services. Create additional pages as needed to complete this survey.

**PART I: Customer Connections**

Community Name (a)	Exchange Name or Service Area (b)	Service Provider Type: I=Incumbent C=Competitor (c)	How the Service is Provisioned: F = Facilities Based U = UNEs R = Resale C = Combination (d)	NPA-NXX (e)	Number of Local Voice Service Connections or Functional Equivalents for Each NPA-NXX (f)		
					RES	BUS	COMB





**Note: This data request is only for Frontier Communications,  
Iowa Telecommunications, and Qwest**

**Iowa Utilities Board  
2005 Single Line Flat-Rated Residential and Business Retail Connection Count Survey for Price Regulated  
Companies  
Docket No. NOI-05-3  
Data as of July 1, 2005**

Company Name \_\_\_\_\_ Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail \_\_\_\_\_

- 1) Provide the number of single line flat-rated residential and business retail connection counts by community and NPA-NXX as shown in the following table.

Community Name	NPA-NXX	Number of Local Voice Service Single Line Flat-rated Connections for Each NPA-NXX	
		RES	BUS

- 2) Provide a chronological listing of rates and rate changes, if any, for single line flat-rated residential and business retail service beginning July 1, 2004, through September 1, 2005.