

**ORIGINAL**

**Dorothy Menasco**

**From:** Kelly, Tamela D [LTD] [Tamela.Kelly@embarq.com]  
**Sent:** Wednesday, October 11, 2006 4:29 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Masterton, Susan S [LTD]  
**Subject:** Docket No. 060581-TP, Embarq's Petition to Intervene  
**Attachments:** 060581-TP, Embarq's Petition to Intervene, 10-11-06.pdf

**Filed on Behalf of:** Susan S. Masterton

**Counsel**  
**Embarq Florida, Inc.**  
**1313 Blair Stone Road**  
**Tallahassee, FL 32301**  
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**Docket No.** 060581-TP

**Title of filing:** Embarq's Petition to Intervene

**Filed on behalf of:** Embarq Florida, Inc.

**No of pages:** 6 pages

**Description:** Embarq's Petition to Intervene in Docket No. 060581-TP

<<060581-TP, Embarq's Petition to Intervene, 10-11-06.pdf>>

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OTH   Kim P.  

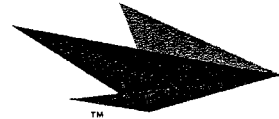
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**EMBARQ™**

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October 11, 2006

Ms. Blanca Bayó, Director  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Docket No. 060581-TP, Petition of Alltel Communications, Inc. for designation as eligible telecommunications carrier (ETC) in certain rural telephone company study areas located partially in Alltel's licensed area and for redefinition of those study areas.

Dear Ms. Bayó:

Enclosed for filing on behalf of Embarq Florida, Inc. is Embarq's Petition to Intervene in Docket No. 060581-TP.

Copies are being served on the parties in this docket pursuant to the attached certificate of service.

If you have any questions regarding this electronic filing, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Enclosure

Susan S. Masterton  
COUNSEL  
LAW AND EXTERNAL AFFAIRS- REGULATORY  
Voice: (850) 599-1560  
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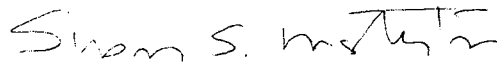
**CERTIFICATE OF SERVICE  
DOCKET NO. 060581-TP**

**I HEREBY CERTIFY that a true and correct copy of the foregoing was served by  
U.S. Mail this 11<sup>th</sup> day of October, 2006 to the following.**

Alltel Communications, Inc.  
Stephen B. Rowell  
One Allied Drive  
Little Rock, AR 72202

Florida Public Service Commission  
Adam Teitzman, Office of the General Counsel  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Florida Public Service Commission  
Robert Casey, Division of Competitive Markets & Enforcement  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850



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**Susan S. Masterton**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of Alltel Communications, Inc. for designation as eligible telecommunications carrier (ETC) in certain rural telephone company study areas located partially in Alltel's licensed area and for redefinition of those study areas.	Docket No. 060581-TP  Filed: October 11, 2006
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**PETITION TO INTERVENE**

Pursuant to Commission Rule 25-22.039, Embarq Florida, Inc. ("Embarq") respectfully request the Commission to allow Embarq to intervene in this proceeding. In support thereof Embarq states as follows:

1. Petitioners' name and address are:

Embarq Florida, Inc.  
555 Lake Border Drive  
Apopka, Florida

2. All notices, pleadings, orders and documents in this proceeding should be provided to:

Susan S. Masterton  
Embarq Florida, Inc.  
1313 Blair Stone Road  
Tallahassee, FL 32301  
(850) 599-1560 (phone)  
(850) 878-0777 (fax)  
[susan.masterton@embarq.com](mailto:susan.masterton@embarq.com)

3. Embarq Florida, Inc. is an incumbent local exchange telecommunications company (ILEC) authorized by the Commission to provide local exchange service in the State of Florida.

4. The instant proceeding involves a request by Alltel Communications, Inc. (Alltel) for eligible telecommunications carrier (ETC) status to partially serve certain areas of the state where Embarq operates as a rural ILEC under FCC rules and to redefine Embarq's rural study areas. As set forth in the following paragraphs, Embarq will be substantially affected by the actions the Commission may take on Alltel's Petition.

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5. The federal universal service fund (“USF”) dollars that Alltel wireless would be eligible to receive if its ETC petition were granted for Embarq's serving territory in Florida are dollars that would come from the portion of the federal USF called "Interstate Access Support (IAS)". This is sometimes referred to as "CALLS" support because it was implemented as a result of an FCC Order that is commonly referred to as the CALLS Order (Sixth Report and Order in CC Docket 96-262 and 94-1; Report and Order in CC Docket 99-249; released May 31, 2000). IAS (or CALLS) support is the overwhelming majority of the federal USF support that Embarq receives in Florida.<sup>1</sup> The federal USF dollars in the IAS portion of the fund are unique in that they are **capped**; the overall size of the IAS fund is capped at approximately \$650 million annually. This means that whenever a competitor is granted ETC status, if that competitive ETC draws from the IAS fund the amount of IAS support that other carriers receive decreases.<sup>2</sup> If Alltel Wireless receives \$1 of CALLS support there is one less dollar to be distributed to the remaining carriers receiving support from that fund. Quite literally, if Alltel Wireless is granted ETC status in Florida it will be taking some support away from other carriers—including Embarq—with every dollar of federal USF it receives. Accordingly, it is reasonable that Embarq would have a substantial interest in this proceeding, particularly the “public interest” aspects as referenced on page 18 of Alltel’s application.

6. In addition, Embarq has a substantial interest in this proceeding with regard to the potential for “cream-skimming” as discussed on pages 16 and 17 of Alltel’s application. In those pages Alltel references the Federal-State Joint Board’s concern that,

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<sup>1</sup> Embarq receives some funds from the federal low income programs (Lifeline/Link-Up) and E-rate program (schools and libraries).

in the process of redefining service areas, an applicant might propose to serve only the low cost exchanges in an area. On page 16 of its application Alltel states that the application offers no “deliberate” effort to cream-skim by choosing only the lowest cost exchanges, and Alltel includes a density analysis to support the claim.

7. Unfortunately, such reassurances do not ensure that cream-skimming will not occur across wire centers or—more importantly—even *within* a single wire center. It is unclear from the application and the maps provided whether Alltel is claiming that it has ubiquitous coverage in each of the wire centers for which it seeks to be designated an ETC. However, it appears that the answer to this is “no” since Alltel makes a point on page 8 of referencing the FCC’s rules (54 CFR 202.a.1) that describe the steps to be taken when a customer cannot receive service because the customer is “within Alltel’s licensed service area but outside its existing network coverage”. In other words, Alltel can choose to provide service where it is cost-effective, and avoid providing service where the costs are prohibitive which is, by definition, cream-skimming.

8. The point of raising this issue is to emphasize Embarq’s high level of interest in this proceeding and illustrate how the potential exists for Embarq to be significantly affected by the outcome. Universal service support is intended to help offset the cost of providing service in the highest cost, most remote and rural areas of the country. Embarq fully understands that the Commission’s role is to weigh the costs and benefits of granting Alltel’s application, and respectfully requests to be allowed to participate in the discussion as an intervener in this proceeding.

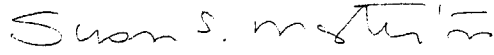
9. No other party will adequately represent Sprint’s rights and interests in this matter.

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<sup>2</sup> The reduction is spread across all carriers that receive dollars from the IAS fund.

WHEREFORE, Embarq respectfully requests that the Commission grant this Petition and allow Embarq to become a full party of record in this docket.

Respectfully submitted this 11th day of October 2006.



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