

MEMORANDUM

March 4, 1998

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FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (B. KEATING) *BK  
MB*

RE: DOCKET NO. 971628-TL - RESOLUTION BY BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY REQUESTING EXTENDED AREA SERVICE BETWEEN FT. WHITE EXCHANGE AND ALACHUA, ARCHER, BROOKER, GAINESVILLE, HAWTHORNE, MELROSE, MICANOPY, NEWBERRY, AND WALDO EXCHANGES.

98-0369-FOR-TL

Attached is a NOTICE OF PROPOSED AGENCY ACTION ORDER DENYING REQUEST FOR EAS, to be issued in the above referenced docket. (Number of pages in order - 5)

BK/anr  
Attachment  
cc: Division of Communications  
I: 971628.bk

*See 1*

*2 mailed  
KTB*

In re: Resolution by Board of County Commissioners of Columbia County requesting extended area service between Ft. White exchange and Alachua, Archer, Brooker, Gainesville, Hawthorne, Melrose, Micanopy, Newberry, and Waldo exchanges.

DOCKET NO. 971628-TL  
ORDER NO. PSC-98-0369-FOF-TL  
ISSUED: March 6, 1998

The following Commissioners participated in the disposition of this matter:

- JULIA L. JOHNSON, Chairman
- J. TERRY DEASON
- SUSAN F. CLARK
- JOE GARCIA
- E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION  
ORDER DENYING REQUEST FOR EXTENDED AREA SERVICE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On September 26, 1997, the Columbia County Board of County Commissioners submitted a resolution with the Commission requesting extended area service (EAS) from the Ft. White exchange to all exchanges within Alachua County, with the exception of the Alachua exchange, which is already a toll-free call. This EAS request involves 10 exchanges and 16 routes. ALLTEL Florida, Inc. (ALLTEL) serves the Ft. White exchange, which is located in Columbia County, as well as the Brooker, Melrose, and Waldo exchanges located in Alachua County. BellSouth Telecommunications, Inc. (BellSouth) serves the Archer, Gainesville, Hawthorne, Micanopy, and Newberry exchanges located in Alachua County. The Ft. White exchange is located in the Jacksonville LATA. The Archer, Brooker, Gainesville, Hawthorne, Melrose, Micanopy, Newberry, and Waldo exchanges are located in the Gainesville LATA.

DOCUMENT CONTROL

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ORDER NO. PSC-98-0369-FOF-TL  
DOCKET NO. 971628-TL  
PAGE 2

Our staff tried to determine which of these numerous routes truly warranted toll relief. After discussing the requested routes with the County's officials, the officials informed our staff that they would not modify the request to focus on the routes that the officials believed exhibited a strong community of interest. We have, therefore, based our decision on the request as filed.

ALLTEL is a rate-of-return regulated local exchange company (LEC). BellSouth is a price-regulated LEC. We note that BellSouth is prohibited by federal law from originating interLATA traffic unless the routes qualify for flat rate non-optional EAS. BellSouth would, therefore, have to seek a waiver from the FCC to modify the LATA boundary for this purpose. Also, we are without jurisdiction to require price-regulated LECs to implement EAS or ECS, in accordance with Section 364.02(2) and 364.385, Florida Statutes, because EAS or ECS requested after July 1, 1995, become part of non-basic service if implemented.

All of the requested routes are interLATA. ALLTEL serves 6 of the involved routes in both directions. BellSouth carries one half of the traffic on the 10 remaining routes. Ten of the involved routes are more than 30 miles long. For example, the Ft. White/Hawthorne route is 43 miles, the Ft. White/Melrose route is 41 miles, and the Ft. White/Micanopy route is 38 miles.

Rule 25-4.060(1), Florida Administrative Code, requires a traffic study to be conducted to determine if a community of interest exists on the requested routes. Since BellSouth is a price-regulated LEC, we do not have the jurisdiction to require BellSouth to conduct traffic studies on the routes the company serves. Thus, in order to determine if a community of interest exists, we would have to require ALLTEL to conduct one-way traffic studies on the requested routes. Due to the number of routes requested (16 interLATA routes) and the distance of the routes (11 routes over 30 miles), however, we find that this EAS request is unreasonable on its face. While the current EAS rules do not restrict the number of exchanges that can be requested in an EAS filing, the rules do require a sufficient degree of community of interest between exchanges. Due to the scope of this EAS request, it is highly unlikely that a community of interest exists between the Ft. White exchange in Columbia County and all of the exchanges within Alachua County. We, therefore, deny Columbia County's request for EAS.

Furthermore, Section 364.052(2)(b), Florida Statutes, reads:

(b) By January 1, 1996, the commission shall adopt, by rule, streamlined procedures for regulating companies subject to this section. These procedures shall minimize the burdens of regulation with regard to audits, investigations, service standards, cost studies, reports, and other matters, and the commission shall establish, by rule, only those procedures that are cost-justified and in the public interest so that universal service may be promoted.

Rule 25-4.210(2)(a), Florida Administrative Code, which streamlines regulatory procedures for small LECs, also directs our staff to weigh the benefits expected to be gained from the information in a traffic study against the cost of compliance to determine whether the information is needed. In view of the extent of the request, we believe that it would be burdensome and costly to the rate-of-return local exchange company to conduct a survey of these routes. Thus, we shall not order ALLTEL to conduct a survey of these routes in accordance with Section 364.052(2)(b), Florida Statutes.

The purpose of EAS is to provide toll relief to those communities that have exhibited a community of interest with one another. It seems unlikely that the Ft. White exchange could have a community of interest with all of the exchanges within Alachua County. As such, we deny the Columbia County Board of County Commissioners request with leave to file an amended resolution requesting only the routes that truly warrant EAS. The routes should be prioritized by need and community of interest. In prioritizing the routes, the Columbia County Board of County Commissioners should include a qualitative explanation of why each route needs toll relief.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that the resolution submitted by the Board of County Commissioners of Columbia County requesting extended area service between the Ft. White exchange to all exchanges in Alachua County is hereby denied with leave to file an amended request as set forth in the body of this order. It is further

ORDER NO. FSC-98 0369-FOF-TL  
DOCKET NO. 971628-TL  
PAGE 4

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.046, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 6th day of March, 1998.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By:

Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

BK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.969(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

ORDER NO. PSC-98-0369-FOF-TL  
DOCKET NO. 971628-TL  
PAGE 5

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 22.029(3), Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. The petition must be received by the Director, Division of Regulatory Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32309-0850, by the close of business on March 27, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Regulatory Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.100(a), Florida Rules of Appellate Procedure.