

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by residents of Ft. White requesting extended area service between Ft. White exchange in Columbia County and Gainesville exchange in Alachua County.

DOCKET NO. 971627-TL
ORDER NO. PSC-98-0950-FOF-TL
ISSUED: July 14, 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 SETTING MATTER FOR HEARING

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 17, 1997, the residents of the Fort White exchange submitted a petition with us asking that extended area service (EAS) be implemented between the Fort White and Gainesville exchanges. The Fort White/Gainesville route is an interLATA route served by two local exchange companies (LECs), ALLTEL Florida, Inc. (ALLTEL) and BellSouth Telecommunications, Inc. (BellSouth). ALLTEL serves the Fort White exchange, which is located in the Jacksonville Local Access Transport Area (LATA) and covers approximately sixty-five (65) square miles in the southwestern portion of Columbia County. BellSouth serves the Gainesville exchange, which is located in the Gainesville LATA in the central portion of Alachua County. We note that ALLTEL is subject to rate-of-return regulation, pursuant to Chapter 364.052(2), Florida Statutes, while BellSouth has elected to be price regulated, in accordance with Section 364.051(1)(a), Florida Statutes.

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FLORIDA PUBLIC SERVICE COMMISSION

ORDER NO. PSC-98-0950-FOF-TL
DOCKET NO. 971627-TL
PAGE 2

Pursuant to Rule 25-4.060(3)(a), Florida Administrative Code, a preliminary showing of a sufficient community of interest to require EAS may be made if there is a calling rate of at least three Messages per Access Line per Month (M/A/Ms) in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is sought. This rule further requires that at least 50% of the subscribers in the petitioning exchange make two or more calls per month to the larger exchange to qualify for traditional EAS. This rule is applicable to the Fort White/Gainesville route, because the Fort White exchange has 1,630 access lines, which is less than half of the 128,559 access lines in the Gainesville exchange. Therefore, in order to obtain information regarding the calling rate between these exchanges, we ordered ALLTEL to conduct one-way traffic studies from the Fort White exchange to the Gainesville exchange by Order No. PSC-98-0098-FOF-TL, issued on January 15, 1998. We no longer have the authority to require BellSouth to conduct traffic studies, because it is a price regulated local exchange company (LEC).

ALLTEL has, however, indicated that it does not have the calling data required by Rule 25-4.060(3)(a), Florida Administrative Code. ALLTEL was able to determine the M/A/M information by using Carrier Access Billing System (CABS) billing data for AT&T, MCI, and Sprint, but does not have the data needed to complete the distribution criteria. The information provided by ALLTEL is attached to this Order as Attachment A.

The calling rate on the Fort White/Gainesville route exceeded the three or more M/A/M rule requirement. We are, however, unable to determine whether this route meets the requirements of Rule 25-4.060(3)(a), Florida Administrative Code, without the distribution criteria data. Thus, we shall set this matter for hearing so that we may obtain additional information to assist us in deciding whether the Fort White customers should be surveyed for non-optional, two-way, flat rate EAS.

In addition, we note that the provisions of the Telecommunications Act of 1996 (the Act) affect this request, because the petition asks us to require the implementation of EAS on an interLATA route that involves BellSouth. The Act delineates certain restrictions on Bell Operating Companies (BOCs) regarding the provision of interLATA telecommunications services. Specifically, Section 271 of the Act prohibits the BOCs from originating interLATA traffic until the BOCs meet certain

conditions, including completion of a competitive checklist. Under Section 272 of the Act, even after a BOC meets the requirements of Section 271, it may only originate interLATA telecommunications services through a separate and independent affiliate.

Although the Act restricts the provision of interLATA service by BellSouth, the FCC has determined that in certain situations the need for expanded local calling routes outweighs the anticompetitive risks. On July 15, 1997, the FCC issued Order 97-244, wherein it addressed several petitions by BOCs for modification of LATA boundaries to allow them to provide expanded local calling service. By that Order, the FCC approved 23 of the requests to modify LATA boundaries. The FCC emphasized that the LATAs were being modified solely to allow the BOCs to offer non-optional, flat rate local calling service, and not to permit the BOCs to offer any other type of service. The FCC further concluded that flat-rate, non-optional, expanded local calling service between exchanges will be deemed intraLATA, and the provisions of the Act governing intraLATA service will apply. Other types of service between specified exchanges will be deemed interLATA, and the provisions of the Act governing interLATA service will apply.

Furthermore, in Order No. 97-244, the FCC determined that optional, measured extended local calling service (ELCS) was not appropriate because it would allow the BOCs to provide what would be interLATA toll service without first meeting the requirements of Section 271 of the Telecommunications Act of 1996. Therefore, an optional toll plan would only be available in one direction since BellSouth cannot originate interLATA traffic.

Because the FCC has allowed BOCs to serve interLATA routes to provide non-optional, flat rate local calling service only in cases where states have found that the routes meet specific qualifying factors, we believe that it is important to hold a hearing to allow the affected subscribers an opportunity to provide additional community of interest criteria to us. The information we obtain may prove to be sufficient to warrant balloting the Fort White customers for EAS to Gainesville.

Based on the foregoing, it is therefore

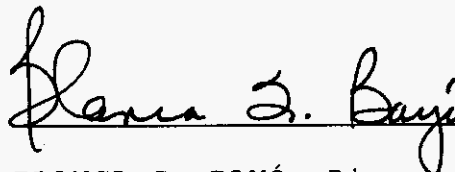
ORDERED by the Florida Public Service Commission that this matter shall be set for hearing. It is further

ORDER NO. PSC-98-0950-FOF-TL
DOCKET NO. 971627-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 25-22.036, 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 remain open pending the outcome of the hearing.

By ORDER of the Florida Public Service Commission this 14th day of July, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(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-98-0950-FOF-TL
DOCKET NO. 971627-TL
PAGE 5

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, 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 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 4, 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 Records and 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 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

EXCHANGE DATA					
<u>EXCHANGE</u>	<u>LEC</u>	<u>LATA</u>	<u>ACCESS LINES EAS LINES</u>	<u>EAS CALLING SCOPE</u>	<u>BASIC RATES</u>
FORT WHITE	ALLTEL	JACKSONVILLE	1,630* 44,093**	Alachua, Branford, High Springs, Lake City	R-1 \$ 9.95 B-1 \$ 24.70 PBX \$ 47.20
GAINESVILLE	BELLSOUTH	GAINESVILLE	128,559* 170,987**	Alachua, Archer, Bronson, Brooker, Hawthorne, High Springs, Lake Butler, Melrose, Micanopy, Newberry, Trenton, Waldo [Cedar Key, Chief land, Keystone Heights, Macintosh, Williston]	R-1 \$ 9.15 B-1 \$ 24.90 PBX \$ 42.33

* HOME EXCHANGE

** TOTAL CALLING SCOPE

[] ALTERNATIVE TOLL PLAN (ECS or \$.25 Plan)