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APR 06 1998

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FPSC - Records/Reporting

980498-TP

April 6, 1998

Blanca Bayo
Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No:

Dear Ms. Bayo:

Enclosed find an original and 15 copies of GTC, Inc.'s Petition to Terminate Access Subsidy and Convert to Payment of Access Charge Revenue Directly to GTC, Inc.

Thank you.

Sincerely,



David B. Erwin

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DBE:jm
Enclosures
cc: Parties of Record in Docket 970808-TL

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
03972 APR -6 98
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of GTC, Inc. to)
Terminate GTC, Inc.'s InterLATA)
Access Subsidy and Convert to)
Payment of Access Charge Revenue)
Directly to GTC, Inc.)

Docket No.

Filed: April 6, 1998

GTC, INC.'S
PETITION TO TERMINATE ACCESS
SUBSIDY AND CONVERT TO PAYMENT OF
ACCESS CHARGE REVENUE DIRECTLY TO GTC, INC.

GTC, Inc. petitions the Florida Public Service Commission (the "Commission"), pursuant to Rule 25-22.036, F.A.C., to terminate the interLATA access subsidy received by GTC, Inc., and convert to interexchange carrier ("IXC") payment of access charge revenue directly to GTC, Inc. In support, GTC, Inc. states as follows:

1. GTC, Inc. is a telephone company lawfully doing business in the State of Florida, with its regulated operations subject to the Commission pursuant to Chapter 364, Florida Statutes.
2. GTC, Inc.'s principal place of business is 502 Fifth Street, Port St. Joe, Florida 32456.
3. Pleadings in this matter may be served on:

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4. In 1985, the Commission ended the pooling of access charges and began a bill and keep access charge system wherein it was the Commission's intent to keep each company "... in the same financial position it would have been in prior to implementing bill and keep." (Order No. 14452, page 11, Docket No. 820537-TP.) The result of the methodology used was a "... respective shortfall or surplus from bill and keep for each company ..." (Order No. 14452, page 12, Docket No. 820537-TP.) The order states that, "Since our stated intent is to have a "wash" when implementing bill and keep, we find that a temporary subsidy pool is required and is in the public interest. The pool will be funded by each LEC contributing a portion of the access revenue it receives for use of its local network." (Order No. 14452, page 12, Docket No. 820537-TP.) In essence, then, the subsidy pool is comprised of access charge revenue. In order to keep access rates uniform, BellSouth Telecommunications, Inc., as pool administrator, has been collecting GTC, Inc.'s access charge revenue and paying that access charge revenue to GTC, Inc.

5. At the time the Commission's interLATA access charge subsidy pool was developed, the Commission recognized two things: the Commission recognized that they had begun a

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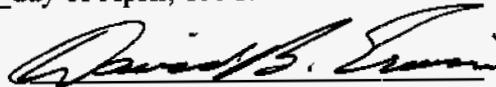
REGULATORY REPORTING

complex process (Order No. 14452, page 12, Docket No. 820537-TP); and, the Commission also recognized that later in time, the Commission might make other rate adjustments. (Order No. 14452, pages 12 and 13, Docket No. 820537-TP.) At the time of the order, the Commission mentioned local rate increases, but that never came to pass, and GTC, Inc. does not suggest that approach in this petition.

6. GTC, Inc. submits that BellSouth started collecting access revenue for GTC, Inc. and is still doing so today, and the process is called the interLATA access charge subsidy. GTC, Inc. submits that since there are no longer uniform access charges there is no longer any reason to maintain the access charge "subsidy." It would be appropriate to terminate the subsidy and convert to a direct IXC payment of access charges to GTC, Inc. Instead of having access charges paid to BellSouth and then have that revenue turned over to GTC, Inc., BellSouth should cease collecting the access charge revenue, and the IXCs should pay the access charge revenue directly to GTC, Inc.

7. GTC, Inc. submits that in any proceeding designed to convert the "subsidy" to a direct access charge payment to the appropriate recipient, BellSouth is an indispensable party along with GTC, Inc. The Commission must exercise jurisdiction over both LECs so that the IXCs receive no increase in their burden of paying access charges for use of the local network. Consequently, GTC, Inc., requests that BellSouth be made a party to this proceeding.

Respectfully submitted this 6th day of April, 1998.



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CERTIFICATE OF SERVICE

Docket No. _____

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U.S. mail or by hand-delivery this 10th day of April, 1998 to the following:

Beth Keating, Legal Counsel
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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David B. Erwin

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