ALLTEL Communications, Inc.
Responses to 2001 ALEC Data Request of the Florida PSC

1. a.   Are you providing service to residential customers in Florida that complies with the definition of basic local service? Yes, however all of our residential offerings also include additional services beyond what is defined as basic local service. See response to question 2b.

1. b.   To how many residential customers are you providing basic local service in Florida?

[redacted]

1. c.   What are your current rates for providing residential basic local service? We do not offer Basic Local Service as a stand-alone offering. See response to question 2.

1. d.   Are you providing service to business customers in Florida that complies with the definition of basic local service? Yes.

1. e   To how many business customers are you providing basic local service in Florida? [redacted]

[redacted]

1. f.   What are your current rates for providing business basic local service in Florida?
The rate for a Standard Business Line in Florida (month-to-month agreement) is $25.90 (includes unlimited local calling).

2.   Are you currently providing other forms of local service (business or residential) in Florida that may not meet Florida's statutory definition of basic local service? Yes.

2. a.   Are you currently providing other forms of local service to residential customers in Florida? Yes.

2. b.   If the response to #2-a is affirmative, please describe each of the forms of local service you are providing to residential customers in Florida. We are not actively selling residential service in Florida at this time. We are maintaining our existing accounts and allowing them to move their service (within our serving area) or add lines to their existing account. See Residential Offerings table on next page.

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Residential Product Offerings

ALLTEL Home Phone Service	$46.00/line	Includes: Choice of 60 free intrastate minutes or 100 free interstate minutes, plus: unlimited local calling, Voice Mail Basic, Caller ID-Name & Number, Call Waiting, Caller ID on Call Waiting, Call Forward, Three-Way Call, Call Return, Call Selector, Selective Call Acceptance, Selective Call Rejection, Speed Call 30, Repeat Dial, Preferred Call Forwarding and Remote Access to Call Forwarding – plus ALLTEL Long Distance rate of $.07/$.12
ALLTEL Convenience Pack (two lines)	$63.00/line	Includes two lines: Choice of 60 free intrastate minutes or 100 free interstate minutes (first line only), plus: unlimited local calling, Voice Mail Basic, Caller ID-Name & Number, Call Waiting, Caller ID on Call Waiting, Call Forward, Three-Way Call, Call Return, Call Selector, Selective Call Acceptance, Selective Call Rejection, Speed Call 30, Repeat Dial, Preferred Call Forwarding and Remote Access to Call Forwarding – plus ALLTEL Long Distance Rate of $.07/$.12
ALLTEL Convenience Pack (two lines with Internet)	$78.00/line	Includes two lines: Choice of 60 free intrastate minutes or 100 free interstate minutes (first line only), plus: unlimited local calling, Voice Mail Basic, Caller ID-Name & Number, Call Waiting, Caller ID on Call Waiting, Call Forward, Three-Way Call, Call Return, Call Selector, Selective Call Acceptance, Selective Call Rejection, Speed Call 30, Repeat Dial, Preferred Call Forwarding and Remote Access to Call Forwarding – plus ALLTEL Long Distance Rate of $.07/$.12 and unlimited internet access.

2. d. Are you currently providing other forms of local service to business customers in Florida? Yes.

2. e. If the response to 2-d. is affirmative, please describe each of the forms of local service you are providing to business customers in Florida. We provide many different types of local service to business customers, including multiple B1s, Key Lines, Analog PBX Trunks, Analog DID Trunks, Digital Channel Service (channelized T1), ISDN-BRI and ISDN-PRI. The following is month-to-month pricing for these services:

Business Product Offering

Standard Business Line	$25.90
Key Line	$33.80
Analog Two-Way PBX Trunk	$44.05
Analog DID Trunk	$63.40
Digital Channel Service Access	$208.15
DCS Channel, each	$23.15
DCS Channel with DID, each	$27.75
ISDN-BRI Service	$93.45
ISDN-PRI Access	$259.00
ISDN-PRI Channel, each	$28.10
ISDN-PRI Access, In-Bound only	$208.15
ISDN-PRI Channel, in-bnd only, each	$24.45

3. Please describe the methods you are using to provide telephone services (e.g., resale, interconnection, unbundled network elements, facility-based, etc.). ALLTEL is using resale, unbundled network elements and facility-based services to provide telephone services.

3. a. Please indicate, by exchange, the number of LEC access lines you are reselling to residential customers. No residential lines are provisioned using resale.

3. b. Please indicate, by exchange, the number of LEC access lines you are reselling to business customers. Gainesville: None; Jacksonville: None; Tallahassee: 7 lines.

3. c. Please indicate, by exchange, the types of unbundled network elements, if any, you are obtaining from the incumbent LEC. In Gainesville, Tallahassee and Jacksonville, we are using the following types of Unbundled Network Elements: 2-wire analog voice grade, 2-wire digital, 4-wire DS1 digital line.

3. d. Please indicate, by exchange, the number of unbundled local loops, if any, you are obtaining from the incumbent LEC. Gainesville: (629) 2-wire loops; (12) 4-wire loops. Jacksonville: (2,850) 2-wire loops; (29) 4-wire loops. Tallahassee: (269) 2-wire loops; (50) 4-wire loops.

3. e. Please indicate the types of facilities deployed by your company in Florida to provide local telephone services, and indicate where these facilities are deployed. Tallahassee – Lucent 5ESS and a leased OC-12 Ring; Gainesville – Lucent 5ESS central office and a leased OC48 Ring; Jacksonville – Lucent 5ESS central office and a leased OC48 Ring.

3. f. *If known, please indicate the number of access lines, separately for residential and business customers, provisioned solely over company-owned facilities.* ███████████

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3. g. *Please indicate, by exchange, the number of business access lines you serve that are provided to Internet Service Providers.* ███████████
███████████

3. h. *Please indicate, by exchange, the number of business access lines you serve that are provided to voice mail service providers.* ███████████
███████████

4. Please indicate the number and location of switches you have located in Florida, if any, used to provide services to customers in Florida. Three – one in Tallahassee, FL.; one in Gainesville, FL.; one in Jacksonville, FL.

5. For each exchange where you are providing any form of residential local telephone service, please identify by exchange (a list of exchanges is attached), the number of residential access lines served as of June 30, 2001. See table below.

6. *Same as above – but for business access lines as of June 30, 2001.* ███████████

7.   For billing and accounting purposes, do you differentiate between residential and business customers? Our ASOCs (billing codes) are different due to the fact that the rates for the services offered to residential and business customers are different. The revenues associated with these services are recorded separately.

7. a.   Are you currently offering enhanced services? Yes. **If yes, what are they?** ALLTEL offers many enhanced features, such as Caller ID, voice mail, Call Waiting, Three-Way Calling, Speed Calling, etc.

7. b.   Have you experienced any significant barriers in entering Florida's local exchange markets? Please list and describe any obstacles or barriers encountered.

<u>Gainesville and Jacksonville (BellSouth territories):</u>

As a whole, ALLTEL experiences many OSS issues which result in our inability to establish service for our customers in a timely manner. While on the surface these OSS issues may not seem like barriers to entry, they significantly hamper ALLTEL's ability to enter the local market and give the perception that ALLTEL is incapable of providing quality service. ALLTEL spends a tremendous amount of time working through order processing issues, which at one point completely impaired processing of our orders for service. We continue to have problems with BellSouth not disconnecting their end-user billing for customers who have established service with ALLTEL, and therefore the customer receives bills from both companies. Another example is BellSouth's failure to review ALLTEL's LSRs in their entirety, particularly the remarks section which is frequently populated by ALLTEL. This inadequate review of LSRs leads to delayed service to customers.

With a recent increase in T1 sales in Gainesville, we have had an increase in cases of defective equipment, such as cards and smartjacks. Again, this leads to long delays in establishing service for customers and the appearance that ALLTEL is incapable of providing timely quality service.

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<u>Tallahassee, FL (Sprint territory)</u>

As with BellSouth, we continue to have a multitude of OSS issues which effectively impede our ability to compete in the local market. For example, we have experienced extensive time delays and cutover reschedules due to improper preparation of equipment on Sprint's part (i.e. jumpers not run prior to cutover), unavailability of facilities, and mistakes and untimely work order processing by Sprint technicians. Such delays and reschedules give customers the impression that ALLTEL is delinquent in processing orders, when in reality we are waiting on Sprint. One

customer experienced down time so significant that the customer forced us to cancel the cutover and did not switch to ALLTEL.

Our sales staff has also encountered difficulties when working with Sprint. Some issues encountered by the sales staff include:
- Incorrect and inaccurate switch records
- Untimely delays in delivering switch records
- Customers being called after a request for switch records for "winback"
- Excessive discounts to customers once Sprint believes that there is competition in the account. They have submitted proposals thinking that they were the only one bidding the account. After they realize that ALLTEL or other CLEC's are in the account they drop their price substantially.
- Disparaging and untrue comments made to customers (by the Sprint sales department), regarding Alltel's ability to service their account.

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7. c. Have you experienced any difficulties involving any agreements you may have with incumbent LECs? Yes, see above. **If so, please describe any significant problems encountered.** See 7(b) above.

7. d. Do you anticipate that your long-term manner of providing service will differ from your current practice? To the extent that the above problems continue or increase the company will have to continue to reconsider whether some forms of service offering should be extended where there is substantial reliance on the incumbent provider. **If so, do you expect to become a full scale facilities-based provider?**

7. e. Have you been assigned your own NXX codes? If yes, how many codes have you been assigned and for each code, as of January 31, 2000, how many numbers have been assigned from the code? ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮

Exchange & NXX Code	# Numbers Assigned	# Numbers Working
Jacksonville – (904)854	▮▮▮	▮▮▮
Gainesville – (352)244	▮▮▮	▮▮▮
Tallahassee – (850)325	▮▮▮	▮▮▮

8. Please list your primary line of business (for example, entertainment, cable television, private line/special access service, interexchange service, local service, cellular service, paging service, electric service, municipality, etc.). ACI provides primarily competitive local service, long-distance service and cellular service.

9. At any time during the last 12 months have you provided local telephone services in Florida and then withdrawn a service? If yes, please discuss the reasons for this decision. Yes. ALLTEL provided residential local telephone services in the Jacksonville, FL market until February of 2001. At that time, we grandfathered our rates to existing customers for services in

place at that time, and limited any new services only to existing residential customers who requested additional lines. We will allow existing residential customers to move their service within our CLEC area; however, there new service at the new location is at the new, higher rate. We are not accepting any new residential CLEC customers. Some of the reasons for this decision include: (1) the high cost for the UNE loop and non-recurring charges that we have to pay the ILEC; (2) Problems experienced with the ILEC in converting customers over to our service.

10.   If you or an affiliate provides cable television in Florida, do you offer any package plans combining cable television and local telephone services? ALLTEL does not provide cable television services in Florida.

11.   If you or an affiliate provides long distance telephone service in Florida, do you offer any package plans combining long distance and local telephone services? Yes. **If so, please describe any such plans and their terms and conditions. Is subscribing to both local telephone and long distance a condition of providing service?** In our Residential CLEC offering (which is now limited only to existing customers – see Response to Question #9 above), we give the customer the choice of ALLTEL Long Distance or another carrier. Their monthly price for the package is the same whether they choose ALLTEL Long Distance or not (see Response to #2-b). If the customer does choose ALLTEL Long Distance, then they will have the option of either 60-free Intrastate minutes or 100-free Interstate minutes on their primary line. They will also receive the ALLTEL Long Distance rate of $.07/$.12 per minute. Subscribing to ALLTEL Long Distance is not a condition of providing service.

12.   Please provide any additional comments or information you believe will assist staff in evaluating and reporting on the development of local exchange competition in Florida. In particular, we are seeking comment on obstacles that you believe may be impeding the growth of local competition in the state and any suggestions you may have on how to remove such obstacles. In the BellSouth territories, an obstacle that has impeded our growth in the CLEC business has been BellSouth's continued use of their "Key Customer Program." This has also been referred to as their "Win Back Program." In one instance, our prospect contacted BellSouth to find out if he was under contract with them. While on the phone with the prospect, BellSouth essentially offered the customer the opportunity for a substantial rate reduction in exchange for the signing of an additional term agreement. There have also been several instances where BellSouth has contacted a customer to present the "Key Customer Program" to them, and the timing of their phone call was within a day or so of ALLTEL requesting the prospect's CSR off of the BellSouth LENS system.

14.   Does your company offer xDSL exclusively? No