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TDS TELECOM

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May 10, 2002

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

Re: Docket No. 010963-TP; Investigation into Telecommunications Rate Center Consolidation
in the State of Florida

Dear Ms. Bayo:

Enclosed for filing please find an original plus five copies of Quincy Telephone Company d/b/a
TDS Telecom/Quincy Telephone comments in Docket No. 010963-TP, Investigation into
Telecommunications Rate Center Consolidation in the State of Florida.

Questions regarding this filing may be directed to me at (850) 875-5207.

Sincerely,



Thomas M. McCabe
Manager-External Relations
TDS TELECOM

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Before the Florida Public Service Commission

**Re: Investigation into Telecommunications)
Rate Center Consolidation in the State of) Docket No. 010963-TP
Florida)**

Introduction

Quincy Telephone Company d/b/a TDS TELECOM/Quincy Telephone (herein after "TDS") hereby submit these comments in response to the Florida Public Service Commission (FPSC) request for comments in Docket No. 010963-TP, regarding Investigation into Telecommunications Rate Center Consolidation in the State of Florida. TDS is defined under section 364.052(1), Florida Statutes as a "small local exchange company". Also, TDS is defined as a "rural telephone company" within 47 U.S.C. § 153(47), Federal Statutes. TDS supports the FPSC's number conservation goal, however TDS recommends that the FPSC refrain from implementing statewide rate center consolidation (RCC), especially in areas served by small LECs.

Basic Position

If the FPSC determines that it has the legal authority to require RCC, TDS agrees with the positions shared by BellSouth and Sprint at the March 15, 2001 workshop that if rate center consolidation is ordered it should be on a revenue and cost neutral basis. Furthermore, TDS supports the assumptions to be used for the development of a RCC proposal set forth in the RCC Working Group Report, especially, that rural carriers should not be consider in rate center consolidation unless requiring consolidation would significantly impact the life of an area code. At a minimum, TDS believes that rate center consolidation should be optional for small LECs.

Based on our understanding of the proposal, if required, TDS would collapse its three wire centers, Gretna, Greensboro, and Quincy into one wire center. Given that TDS is only utilizing four NXXs, we believe that consolidation will provide little, if any, benefits to number conservation. Although TDS' three exchanges have the same basic

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local calling area and basic local service rate, TDS believes that mandating consolidation will have significant cost and administrative impacts that will ultimately pass to end users with no definable benefits. Although TDS has not completed a thorough analysis of the impacts relating to RCC, we have identified several issues that may be effected.

1. The Federal Communications Commission (FCC) rural universal service order (FCC 01-157) issued May 23, 2001 requires companies to file with the FCC and state commissions whether or not they desire to disaggregate federal universal service support by May 15, 2002. Based on cost proxy models, the cost associate with the TDS' three exchanges differs significantly. As a result, TDS will be electing to disaggregate to the wire center level. The purpose of disaggregating to the wire center is to ensure that needed federal universal service support is directed to the high cost serving areas. If required to consolidate TDS' three exchanges, TDS will have significant administrative costs associated with trying to disaggregate and track support to some level other than the wire center.
2. TDS believes billing system changes may be needed in order to implement rate center consolidation. Currently, TDS' billing system is tied to the NXX to identify customer location. Given that TDS' three exchanges are in differing municipalities, at a minimum, TDS believes it would be required to modify its billing system in order to properly account for different tax jurisdictions.
3. TDS does not have local number portability or the underlying LNP technology in its Quincy switch. Furthermore, by FCC order, TDS is not required to implement LNP until such time as the company receives a bona fide request. Even if requested to provide LNP, under the federal Telecommunications Act, rural carriers are permitted to file for rural exemption of this requirement. Although LNP is not required for rate center consolidation, the true benefits to number conservation are through number pooling. TDS believes that any rate center consolidation proposal adopted should not result in TDS having to implement permanent LNP. Given that the only ALECs providing service within TDS' serving area are to bad debt customers, we believe adding LNP will only place an unnecessary cost on end users without any benefits.

4. Finally, TDS believes that it may have significant administrative costs associated with rate center consolidation. TDS tracks all network and customer records based on the NXX. If required to consolidate, it would be necessary for us to modify all of our records.

Conclusion

TDS supports the FPSC's commitment to number conservation. However, we believe that it is premature to require rate center consolidation in small LEC areas at this time. There is very limited competition in rural markets, and given the economic uncertainty of the telecommunications marketplace, future competition in rural areas will probably be minimal. Since the passage of the federal Act, and the State Telecommunications Act, there have been no requests for an NXX to be assigned to TDS' serving area. TDS believes that requiring TDS to consolidate its three exchanges into one will not provide any benefits to the FPSC goal of number conservation. Therefore, TDS recommends that the FPSC not require TDS to consolidate its wire centers. If the FPSC does require consolidation, it must be done on a revenue and cost neutral basis.