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State of Florida



Public Service Commission

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: March 23, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (Maduro, Bulecza-Banks, Casey, Juh, Fogleman, Mann) *PK*
Office of the General Counsel (Fordham) *L.P.F. Paw*

RE: Docket No. 050542-TX – Petition for designation as eligible telecommunications carrier (ETC) by Ganoco, Inc. d/b/a American Dial Tone.

AGENDA: 04/04/06 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Carter

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: This recommendation should immediately precede the recommendation in Docket No. 050889-TX, Petition for designation as eligible telecommunications carrier (ETC) by Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.

FILE NAME AND LOCATION: S:\PSC\CMP\WP\050542.RCM.DOC

Case Background

On August 11, 2005, Ganoco, Inc. d/b/a American Dial Tone petitioned the Florida Public Service Commission (FPSC or Commission) for designation as an Eligible Telecommunications Carrier (ETC) in the State of Florida. Specifically, American Dial Tone requested that it be granted ETC status in certain exchanges of BellSouth Telecommunications, Inc. (BellSouth), Sprint-Florida, Inc. (Sprint) and Verizon Florida (Verizon) for purposes of

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receiving federal universal service support. This is the third Competitive Local Exchange Carrier (CLEC) ETC petition to be brought before the Commission for consideration.¹

American Dial Tone is a FPSC-certificated CLEC which provides prepaid local exchange services in the BellSouth, Sprint, and Verizon service areas. In the Verizon and BellSouth areas, these services are provided using a combination of UNE-P services (UNEs) facilities obtained through a commercial agreement and resale services, whereas in Sprint areas, services are provided via resale. Upon designation as an ETC, American Dial Tone indicates that it will participate in and offer Lifeline and Link-Up programs to qualified low income consumers. Additionally, American Dial Tone has committed to publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services.² The company has stated that it is not planning to seek universal service high-cost funding if it is designated as an ETC in Florida.

American Dial Tone is headquartered in Dunedin, Florida and was formed in 1999 to provide prepaid home phone service. American Dial Tone has approximately 102 agents who market and sell various types of services in 37 cities in Florida. To date, American Dial Tone has not filed for ETC designation nor is it seeking ETC status in any other state. American Dial Tone indicates that its accounts with the Federal Communications Commission (FCC) and Universal Service Administrative Company (USAC) are current. American Dial Tone is not aware of any outstanding complaints or violations from the FCC.

American Dial Tone is requesting that it be granted ETC status in 117 Sprint, 95 Verizon and 182 BellSouth wire centers. Staff is recommending that American Dial Tone be granted ETC status in the requested BellSouth and Verizon non-rural wire centers. However, because American Dial Tone has not consummated a UNE or similar commercial facilities agreement with Sprint, and because Sprint's service is considered rural for universal service support purposes, and no public interest showing has been made for Sprint's territory as required by law,³ staff is not recommending that American Dial Tone receive ETC status in Sprint's service area at this time.

This recommendation was deferred from the February 28, 2006 agenda conference. Since as of March 10, 2006, unbundled network elements (UNEs) are no longer used to describe the physical components of the telecommunications network that are used in the transmission

¹ By Order PSC-05-0324-PAA-TX, issued March 21, 2005, Docket No. 041302-TX, In Re: Petition for Designation as Eligible Telecommunications Carrier by Knology of Florida, Inc., the Commission granted Knology of Florida, Inc. (Knology) Eligible Telecommunications Carrier status. Knology is a certificated CLEC which provides telecom service over its broadband network. By Order PSC-05-1255-PAA-TX, issued December 27, 2005, Docket No. 050483 TX, In Re: Petition for designation as Eligible Telecommunications Carrier by Budget Phone, Inc., the Commission granted Budget Phone ETC status in the requested Verizon and BellSouth wire centers, and approved ETC status in non-rural areas of Sprint provided Budget Phone consummates a UNE or equivalent agreement with Sprint.

² See 47 C.F.R. §§ 54.401-54.417 – Universal Service Support for Low Income-Consumers

³ For purposes of universal service support, Sprint-Florida, Inc. is considered a rural carrier. In accordance with Section 214(e)(2) of the Telecommunications Act, "Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State Commission shall find that the designation is in the public interest."

or routing of services, staff has revised this recommendation to reflect that commercial agreements between the carriers now address these physical components.

The Commission has authority under Section 364.10(2), Florida Statutes (2005), to decide a petition by a CLEC seeking designation as an eligible telecommunications carrier pursuant to 47 C.F.R. s. 54.201.

Discussion of Issues

Issue 1: Should American Dial Tone be granted ETC status in the State of Florida?

Recommendation: Staff recommends that American Dial Tone be granted ETC status in the Verizon and BellSouth non-rural wire centers identified in Attachment A. However, American Dial Tone should not be granted ETC status in Sprint's service area unless a ~~UNE or equivalent~~ commercial facilities agreement is consummated between American Dial Tone and Sprint, and American Dial Tone makes a showing to the Commission that granting it ETC status in Sprint's ~~service area rural wire centers~~ is in the public interest. ~~Should American Dial Tone decide to seek universal service high cost funds, it should be required, at the time of annual ETC recertification, to demonstrate how it has used the universal service funds within Florida, and be required to adhere to the new certification and reporting requirements as detailed in staff's analysis. American Dial Tone should be required, at the time of annual ETC recertification, to demonstrate how it has used the universal service funds within Florida. American Dial Tone should also be required to adhere to the new certification and reporting requirements as detailed in staff's analysis should it decide to seek universal service high cost funds.~~ (Maduro, Mann, Casey, Bulecza-Banks)

Staff Analysis: Federal Communications Commission (FCC) rules provide that carriers designated as ETCs shall, throughout the designated service area: (1) offer the services that are supported by federal universal support mechanisms either using their own facilities or a combination of their own facilities and the resale of another carrier's services and, (2) advertise the availability of such services and the related charges therefore using media of general distribution. See CFR §54.201(d).

American Dial Tone has identified a total of 394 wire centers (117 Sprint, 95 Verizon and 182 BellSouth) in which it wishes to offer the services that are supported by federal universal support mechanisms.

ETC Certification Requirements

CFR Rule 54.201(c), addresses a state commission's responsibilities related to ETC designation, stating:

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.

To qualify as an ETC, telecommunications carriers must provide nine services identified in CFR Rule 54.201(d)(1).

- 1) Voice grade access to the public switched network Voice grade access is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call;
- 2) Local Usage Local usage indicates the amount of minutes of use of exchange service, provided free of charge to end users;
- 3) Dual tone multi-frequency signaling or its functional equivalent Dual tone multi-frequency ("DTMF") is a method of signaling that facilitates the transportation of signaling through the network, thus shortening call set-up time;
- 4) Single-party service or its functional equivalent Single party service is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;
- 5) Access to emergency services Access to emergency services includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations;
- 6) Access to operator services Access to operator services is defined as access to any automatic or live assistance to a consumer to arrange for billing and/or completion, of a telephone call;
- 7) Access to interexchange service Access to interexchange service is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;
- 8) Access to directory assistance Access to directory assistance is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and
- 9) Toll limitation for qualifying low-income consumers Toll limitation or Blocking restricts all direct dial toll access.

In addition to providing the above services, ETC's must advertise the availability of such services and the associated charges using media of general distribution.

New Certification and Reporting Requirements

The FCC's rules currently require all ETCs to make an annual certification, on or before October 1, that high-cost universal service support will be used for its intended purposes.⁴ By Order No. FCC 05-46, the FCC maintained and augmented this requirement. The FCC now

⁴ 47 C.F.R. §§ 54.313, 54.314.

requires every ETC designated by the FCC who desires high cost support to submit the following information on an annual basis starting October 1, 2006:

- (1) progress reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received and how the support was used to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled. The information should be submitted at the wire center level;
- (2) detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the *Outage Reporting Order*). An outage is defined as a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network. Specifically, the ETC's annual report must include: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected;
- (3) the number of requests for service from potential customers within its service areas that were unfulfilled for the past year. The ETC must also detail how it attempted to provide service to those potential customers;
- (4) the number of complaints per 1,000 handsets or lines;
- (5) certification that the ETC is complying with applicable service quality standards and consumer protection rules;
- (6) certification that the ETC is able to function in emergency situations;⁵
- (7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and
- (8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event

⁵ If an ETC had not previously submitted a plan demonstrating how it will remain functional in an emergency, it should do so with its first reporting compliance filing.

that no other eligible telecommunications carrier is providing equal access within the service area.

This newly required information will initially be due on October 1, 2006, and thereafter annually on October 1 of each year, at the same time as the carrier's certification that the universal service funds are being used consistent with the Act.⁶ However, if the ETC does not seek high cost funding, this additional information filing is not required.

By Order No. PSC-05-0824-FOF-TL, issued August 15, 2005, Docket No. 010977-TL, In Re: State certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314, the FPSC adopted these new high-cost annual certification and reporting requirements established in Order No. FCC 05-46 for all FPSC designated ETCs desiring high cost support. In the Order, the Commission noted that to the extent a Florida ETC believes that it has already submitted a report or information to us that would comply with the list above, it may certify in its annual letter which proceeding and on what date such report or information was provided to us, in lieu of resubmitting the required information. However, if a company is not seeking high cost reimbursement, this additional information filing is not required.

Definition of "Rural" for Universal Service Purposes

Based on a Joint Board recommendation, in 1997, the FCC adopted for universal service purposes, a definition of rural carrier that mirrored the definition of "rural telephone company" found in section 3(37) of the Telecommunications Act (Act). Pursuant to this definition, a rural telephone company is a local exchange carrier operating entity to the extent that the entity:

- (A) provides common carrier service to any local exchange carrier study area that does not include either--
 - (i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
 - (ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
- (B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- (C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- (D) has less than 15 percent of its access lines in communities of more than 50,000 on February 8, 1996.

The FCC required carriers serving study areas with more than 100,000 access lines to file rural self-certifications in 2000 explaining how they met the criteria in subsections 3(37)(A) or

⁶ See e.g., 47 C.F.R. §54.313; 54.314.

(D). Thereafter, such carriers were required to file only in the event of a change in their status. On July 26, 2000, Sprint-Florida self-certified to the FCC as a rural carrier for purposes of universal service under subsection 3(37)(D) of the Act (See Attachment B). Sprint explained that it serves three communities in Florida with populations greater than 50,000, Cape Coral, Deltona, and Tallahassee. Sprint indicated that the total number of access lines served by Sprint in Florida was 2,160,161, and only 12.01% of Sprint's Florida access lines were located in communities of more than 50,000.

The FCC is examining whether it should continue to use the statutory definition of "rural telephone company" to determine which carriers are rural carriers for high cost universal service purposes. As noted in a October 7, 2004 Briefing Memorandum to Commissioners, the Joint Board sought comment on whether the statutory definition of "rural telephone company" should still be used. To date, the FCC has received comments and reply comments, but no Order has been issued.

Since Sprint is presently classified as a rural carrier for purposes of universal service, any carrier requesting ETC status within Sprint's territory must make a showing that it is in the public interest to do so. CFR Rule 54.201(c) states that "Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest."

Congress did not establish specific criteria to be applied under the public interest tests. The public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.⁷

When initiating a public interest test for an ETC designation in a rural area, the FCC considers a variety of factors in the overall ETC determination, including a cost-benefit analysis of the benefits of increased consumer choice, and the unique advantages and disadvantages of the competitor's service offering. They also perform an examination to detect the potential for creamskimming effects if the applicant requests ETC status below the service area level. The potential for creamskimming arises when an ETC seeks designation in a disproportionate share of the higher-density wire centers in an incumbent LEC's service area. By serving a disproportionate share of the high-density portion of a service area, an ETC may receive more support than is reflective of the rural incumbent LEC's costs of serving that wire center because support for each line is based on the rural telephone company's average costs for serving the entire service area unless the incumbent LEC has disaggregated its support. The FCC also considers if the designation of an ETC will affect the size and sustainability of the

⁷ Federal-State Joint Board on Universal Service, Order, CC Docket No. 96-45, Order FCC 05-46, Released March 17, 2005.

fund. The FCC strongly encourages state commissions to consider the same factors in their public interest reviews.⁸

Annual ETC Certifications

By Order No. PSC-05-0824-FOF-TL, issued August 15, 2005, Docket No. 010977-TL, In Re: State certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314, the FPSC certified to the FCC that ALLTEL Florida, Inc., Frontier Communications of the South, Inc., GTC, Inc., ITS Telecommunications Systems, Inc., Northeast Florida Telephone Company, Inc., d/b/a NEFCOM Communications, TDS Telecom, and Smart City Telecom will be using interstate high-cost universal service support in 2006 in a manner that complies with Section 254(e) of the federal Telecommunications Act of 1996.

Facilities Requirement

As of March 11, 2006, UNEs are no longer available to meet the statutory requirement of Section 54.201(d), Code of Federal Regulations (C.F.R.). The Commission's prior granting of ETC status to Budget Phone, Inc. was based on UNEs meeting the statutory requirement of "own facilities," which it did since it was granted prior to March 10, 2006.

In November, 2005, staff spoke with FCC staff to request a clarification of what would occur with the ETC facilities requirement after March 10, 2006 for carriers which were using UNEs to meet the facilities requirement for universal service purposes. On March 13, 2006, staff received a call from FCC staff stating that the FCC has no official position on the issue, has no plans to act on the issue, and that states should do what they believe is appropriate.

In order to decide what course of action would be most practical and effective, staff reviewed and relied heavily on the FCC's Commissioners comments pertaining to the FCC's Order 97-157 - Report & Order In the Matter of Federal-State Joint Board on Universal Service. It is evident from the comments in the FCC order that the Commissioners were attempting to create a policy that would foster true competition in the telecommunications industry. They wanted to devise a system that would not undermine the Federal-State Joint Board recommendations in terms of distinguishing carriers who were ineligible to receive universal service support because they provided service strictly through resale, and those who attempted to provide services through facility oriented mechanisms. Accordingly, the Commissioners interpreted the term "facilities" to mean, "any physical components of the telecommunications network that are used in the transmission or routing of the services designated for support under section 254 (c)(1)." Additionally, the Commissioners agreed that carriers who offered federally supported services through the use of UNEs, in whole or in part would satisfy the facilities requirements as prescribed in 214(e).

Specifically, the Commissioners stated that it's unlikely that Congress intended to deny designation as eligible telecommunications carriers to carriers who relied on UNEs

⁸ See id.

in whole or in part, since UNEs were one of three primary paths of entrance into local markets. The Commissioners commented that when a requesting carrier obtains UNEs in accordance with Section 214(e)(1)(A), assuming it adheres to the "facility" definition, the Commission deemed the carrier to have "exclusive use of that facility for a period of time."

Staff also researched the FCC Rule as to what would meet the "facilities" requirement after March 10, 2006, for universal service purposes.

Section 54.201(d), Code of Federal Regulations (C.F.R.) provides that carriers designated as ETCs shall, throughout the designated service area: (1) offer the services that are supported by federal universal support mechanisms either using their own facilities or a combination of their own facilities and the resale of another carrier's services and, (2) advertise the availability of such services and the related charges therefore using media of general distribution.

Section 54.201(f), C.F.R., states that "For the purposes of this section, the term "own facilities" includes, but is not limited to, facilities obtained as unbundled network elements pursuant to part 51 of this chapter, provided that such facilities meet the definition of the term "facilities" under this subpart.

Section 54.201(e), C.F.R., states that "For the purposes of this section, the term *facilities* means any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part."

Although carriers, as of March 11, 2006, no longer are using UNEs to meet the facilities requirement under Section 54.201(d) C.F.R., they are using the same physical components of the network for the transmission and routing of services. Staff notes that although Section 54.201(f), C.F.R. states that facilities obtained as UNEs meet the facilities requirement, that Section also provides that the term "own facilities" is not limited to UNEs.

Staff believes that the leasing of the physical components of the telecommunications network for the transmission or routing of services, whether as UNEs or through commercial agreements, meet the statutory definition of "own facilities" for universal service purposes. Carriers are using the same physical components of the telecommunications network for the transmission or routing of services on March 11, 2006 as they used on March 10, 2006, only the terms between the two carriers have changed.

An opposite argument could be made that a narrower interpretation of the rules could be made. Under this view, when the CLEC previously obtained UNEs under an interconnection agreement, it exercised insufficient dominion or control over the network elements to satisfy the ordinary meaning of the term "own facilities." In other words, the ILEC's UNEs were never the CLEC's "own facilities" as a matter of fact. Rather the Telecommunications Act created the legal fiction that these UNEs were the CLEC's own facilities. Thus the UNEs were *defined* to be the CLEC's own facilities as a matter of law.

Continuing with this view, on March 11, 2006, the legal fiction was ended for an array of UNEs. This change could be interpreted to mean that UNE equivalents now obtained under commercial agreement are no longer defined to be the CLEC's own facilities as a matter of law. This interpretation would suggest that the Commission should rule that the petitioner has not established that it qualifies for the ETC designation.

This narrower view takes a legalistic, definitional approach to determining which CLECs may receive the ETC designation and which may not. The result of this approach is to define the term "own facilities" more narrowly than before and this will limit the number of CLECs in Florida designated as an ETC.

This may be an approach in responding to the change that occurred March 11, 2006. Nevertheless, it is not the best approach in staff's view. Staff believes that the term "own facilities" may and should be interpreted more expansively to accomplish the legislative purposes of the ETC designation. To embrace a narrower approach would defeat those purposes, while embracing the more expansive and flexible approach would serve those purposes, maintain continuity with past decisions, promote competition, and provide choices for consumers.

Staff is aware of one state which granted ETC status to two carriers which were leasing UNEs prior to March 11, 2006, and are now leasing the components of the network through commercial agreements. The California PUC granted ETC status to Budget Phone, Inc. (Resolution T-17000) and Nexus, Inc. (Resolution T-17001) on March 15, 2006.

Conclusion

The Commission has authority under Section 364.10(2), Florida Statutes (2005), to decide a petition by a CLEC seeking designation as an eligible telecommunications carrier pursuant to 47 C.F.R. s. 54.201.

American Dial Tone is a pre-paid telephone company and does not own any facilities in the State of Florida. However, as discussed in staff's analysis, staff believes that American Dial Tone meets the statutory facilities requirement by leasing the physical components of the telecommunications network necessary to provide the nine services identified in CFR Rule 54.201(d)(1) through its Commercial Agreements. ~~the FCC considers the provisioning of service through UNEs as meeting its requirement of using its own facilities.~~

American Dial Tone has the ability to meet the nine-point list of services that are supported by federal universal support mechanisms using its own facilities (~~as defined/clarified by the FCC~~)⁹ or a combination of its own facilities and the resale of another carrier's services. American Dial Tone provided data to staff indicating that approximately 823 (or 20.02%) of its customers are being provided service through Commercial Facilities Agreements (CFAs), and also provided affidavits showing commercial agreements had been signed with BellSouth and Verizon. American Dial Tone has not executed an agreement with Sprint to serve customers in

⁹ CC Docket No. 96-45 (Federal State Joint Board on Universal Service) paragraph. 127, 169 and §54.201(f). See id.

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the Sprint service area. Therefore, American Dial Tone cannot meet the FCC's requirement of using its own facilities in Sprint's territory, making it ineligible to receive ETC status in Sprint's area. However, should American Dial Tone consummate a ~~UNE or equivalent contract~~ commercial facilities agreement with Sprint, and make a showing to the Commission that

granting American Dial Tone ETC status in Sprint's service area is in the public interest, it should be granted ETC status in Sprint's wire centers.

American Dial Tone has acknowledged the requirements of the Florida Lifeline program and has agreed to adhere to the program which provides qualified customers a total of \$13.50 in Lifeline assistance credits consisting of: \$6.50 in federal subscriber line charges, \$1.75 in federal support for states that have approved the credit, and \$1.75 which is a 50% match of federal support for having a state lifeline program requiring a \$3.50 credit under the Florida eligibility criteria. American Dial Tone indicates that it will provide the \$3.50 credit to qualified clients, advertise the availability of Lifeline, and begin offering these services within 90 days of receiving ETC status.

American Dial Tone commits to use federal universal support only for the provision and maintenance of facilities used for telecommunications services. Staff believes that American Dial Tone should be required, at the time of annual ETC recertification, to demonstrate how it has used the universal service funds within Florida. Additionally, American Dial Tone has indicated that it will abide by all Florida Statutes, Rules, and Commission Orders regarding ETCs.

Based on the above, staff recommends that American Dial Tone be granted ETC status in the Verizon and BellSouth wire centers identified in Attachment A. However, American Dial Tone should not be granted ETC status in Sprint's service area unless it consummates a UNE or equivalent commercial facilities agreement between American Dial Tone and Sprint and American Dial Tone makes a showing to the Commission that granting it ETC status in Sprint's service area- rural wire centers is in the public interest. Should American Dial Tone decide to seek universal service high cost funds, it should be required, at the time of annual ETC recertification, to demonstrate how it has used the universal service funds within Florida, and be required to adhere to the new certification and reporting requirements as detailed in staff's analysis. American Dial Tone should be required, at the time of annual ETC recertification, to demonstrate how it has used the universal service funds within Florida. American Dial Tone should also be required to adhere to the new certification and reporting requirements as detailed in staff's analysis should it decide to seek universal service high cost funds.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a consummating order. (L. Fordham, P. Wiggins)

Staff Analysis: If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a consummating order.

BellSouth	ARCHFLMARS0	BellSouth	HWTHFLMARS0	BellSouth	OKHLFLMARS0
BellSouth	BCRTFLBTDS0	BellSouth	JCBHFLMA24E	BellSouth	OLTWFLNRS0
BellSouth	BCRTFLMADS1	BellSouth	JCBHFLSPRS0	BellSouth	ORLDFLAPDS0
BellSouth	BCRTFLSADS0	BellSouth	JCVLFLARDS0	BellSouth	ORLDFLCLDS0
BellSouth	BKVLFLJFDS0	BellSouth	JCVLFLBWDS0	BellSouth	ORLDFLCLDS1
BellSouth	BLDWFLMARS0	BellSouth	JCVLFLCLDS0	BellSouth	ORLDFLMADS1
BellSouth	BLGLFLMADS0	BellSouth	JCVLFLFCDS0	BellSouth	ORLDFLPCDS0
BellSouth	BNNFLMARS0	BellSouth	JCVLFLF76E	BellSouth	ORLDFLPHDS0
BellSouth	BRSNFLMARS0	BellSouth	JCVLFLNODS0	BellSouth	ORLDFLSADS0
BellSouth	BYBHFLMADS0	BellSouth	JCVLFLOWDS0	BellSouth	ORPKFLMADS0
BellSouth	CCBHFLMADS0	BellSouth	JCVLFLRV38E	BellSouth	ORPKFLRWDS0
BellSouth	CFLDFLMARS0	BellSouth	JCVLFLSJ73E	BellSouth	OVIDFLCADS0
BellSouth	CHPLFLJADS0	BellSouth	JCVLFLSMDS0	BellSouth	PACEFLPVR0
BellSouth	COCOFLMADS0	BellSouth	JCVLFLWCDS0	BellSouth	PAHKFLMARS0
BellSouth	COCOFLMEDS0	BellSouth	JPTRFLMADS0	BellSouth	PCBHFLNTDS0
BellSouth	CSCYFLBARS0	BellSouth	KYHGFLMARS0	BellSouth	PLCSFLMADS0
BellSouth	DBRYFLDLDS0	BellSouth	KYLRFLLSRS0	BellSouth	PLTKFLMADS0
BellSouth	DBRYFLMARS1	BellSouth	KYWSFLMADS0	BellSouth	PMBHFLCSDS0
BellSouth	DELDFLMADS0	BellSouth	LKCYFLMADS0	BellSouth	PMBHFLFEDS0
BellSouth	DLBHFLKPDS0	BellSouth	LYHNFLOHDS0	BellSouth	PMBHFLMADS0
BellSouth	DLBHFLMA27E	BellSouth	MDBGFLPMD0	BellSouth	PMBHFLTADS0
BellSouth	DLBHFLMARS0	BellSouth	MIAMFLAEDS0	BellSouth	PMPKFLMARS0
BellSouth	DLSPFLMARS0	BellSouth	MIAMFLAERS0	BellSouth	PNCYFLCARS0
BellSouth	DNLNFLWMRS0	BellSouth	MIAMFLAL63E	BellSouth	PNCYFLMADS0
BellSouth	DRBHFLMADS0	BellSouth	MIAMFLAPDS0	BellSouth	PNSCFLBLDS0
BellSouth	DYBHFLMADS0	BellSouth	MIAMFLBA85E	BellSouth	PNSCFLFPDS0
BellSouth	DYBHFLQBD0	BellSouth	MIAMFLBCDS0	BellSouth	PNSCFLHCRS0
BellSouth	DYBHFLQSR0	BellSouth	MIAMFLBRDS0	BellSouth	PNSCFLWADS0
BellSouth	DYBHFLPODS0	BellSouth	MIAMFLCADS0	BellSouth	PNVDFLMADS0
BellSouth	EGLLFLBGDS0	BellSouth	MIAMFLFLDS0	BellSouth	PRRNFLMADS0
BellSouth	EORNFLMARS0	BellSouth	MIAMFLGRDS0	BellSouth	PRSNFLFDRS0
BellSouth	FEBRKYMADS0	BellSouth	MIAMFLGRDS1	BellSouth	PTSLFLMADS0
BellSouth	FLBHFLMARS0	BellSouth	MIAMFLHLDS0	BellSouth	PTSLFLSOCG0
BellSouth	FRBHFLFPDS0	BellSouth	MIAMFLICDS0	BellSouth	SBSTFLFERS0
BellSouth	FTLDFLCRDS0	BellSouth	MIAMFLME32E	BellSouth	SBSTFLMADS0
BellSouth	FTLDFLCYDS0	BellSouth	MIAMFLMERS0	BellSouth	SNFRFLMADS0
BellSouth	FTLDFLJADS0	BellSouth	MIAMFLNMDS0	BellSouth	STAGFLBSRS0
BellSouth	FTLDFLMRDS0	BellSouth	MIAMFLNSDS0	BellSouth	STAGFLMADS0
BellSouth	FTLDFLOADS0	BellSouth	MIAMFLOLDS0	BellSouth	STAGFLSHRS0
BellSouth	FTLDFLPLDS0	BellSouth	MIAMFLPBDS0	BellSouth	STAGFLWGRS0
BellSouth	FTLDFLSGDS0	BellSouth	MIAMFLPLDS0	BellSouth	STRTFLMADS0
BellSouth	FTLDFLSU74E	BellSouth	MIAMFLPLRS0	BellSouth	SYHSFLCCRS0
BellSouth	FTLDFLWNS0	BellSouth	MIAMFLRRDS0	BellSouth	TRENFLMARS0
BellSouth	FTPRFLMADS0	BellSouth	MIAMFLSH75E	BellSouth	TTVLFLMADS0
BellSouth	FTPRFLMARS0	BellSouth	MIAMFLSODS0	BellSouth	VERNFLMARS0
BellSouth	GCSPLCND0	BellSouth	MIAMFLWDDS0	BellSouth	VRBHFLMADS0
BellSouth	GCVLFLMARS0	BellSouth	MIAMFLWMDS0	BellSouth	WELKFLMARS0
BellSouth	GSVLFLMADS0	BellSouth	MICCFLLBRS0	BellSouth	WPBHFLANDS0

BellSouth	GSVLFLMADS1	BellSouth	MLBRFLMADS0	BellSouth	WPBHFLGADS0
BellSouth	GSVLFLNW33E	BellSouth	MLTNFLRADS0	BellSouth	WPBHFLGRDS0
BellSouth	HAVNFLMADS0	BellSouth	MNDRFLAVDS0	BellSouth	WPBHFLHHDS0
BellSouth	HBSDFLMADS0	BellSouth	MNDRFLLODS0	BellSouth	WPBHFLHHRDS0
BellSouth	HLNVFLMADS1	BellSouth	MNDRFLWRS0	BellSouth	WPBHFLLEDS0
BellSouth	HLWDFLHA45E	BellSouth	MRTHFLVERSO	BellSouth	WPBHFLRB84E
BellSouth	HLWDFLMADS0	BellSouth	MXVLFLMARS0	BellSouth	WPBHFLRPDS0
BellSouth	HLWDFLPEDS0	BellSouth	NDADFLACDS0	BellSouth	WWSPFLHIDS0
BellSouth	HLWDFLWHDS0	BellSouth	NDADFLBRDS0	BellSouth	WWSPFLSHDS0
BellSouth	HMSTFLARS0	BellSouth	NDADFLGGDS0	BellSouth	YNFNFLMARS0
BellSouth	HMSTFLHMDS0	BellSouth	NDADFLOLDS0	BellSouth	YNTWFLMARS0
BellSouth	HMSTFLNARS0	BellSouth	NSBHFLMADS0	BellSouth	YULEFLMARS0
BellSouth	HTISFLMADS0	BellSouth	NWBYFLMARS0		
Verizon	ABDLFLXA96H	Verizon	KYSTFLXA92H	Verizon	SKWYFLXADS0
Verizon	ALFAFLXA67H	Verizon	LKALFLXA95H	Verizon	SLSPFLXA93H
Verizon	ALTRFLXARSA	Verizon	LKLDLFLXA68H	Verizon	SMNLFLXA23H
Verizon	ANMRFLXA77H	Verizon	LKLDLFLXE66H	Verizon	SNSPFLXA37H
Verizon	BARTFLXA53H	Verizon	LKLDLFLXN85H	Verizon	SPBGFLXA89H
Verizon	BAYUFLXA54H	Verizon	LKWFLFLXA67H	Verizon	SPBGFLXADS0
Verizon	BBPKFLXARSA	Verizon	LKWFLFLXERSA	Verizon	SPBGFLXS86H
Verizon	BHPKFLXA28H	Verizon	LLMNFLXADS0	Verizon	SPRGFLXA37H
Verizon	BRBAFLXA75H	Verizon	LNLKFLXA99H	Verizon	SRSTFLXA95H
Verizon	BRJTFLXARSA	Verizon	LRGOFFLXA58H	Verizon	SRSTFLXADS0
Verizon	BRNDFLXA68H	Verizon	LUTZFLXA94H	Verizon	SSDSFLXA92H
Verizon	BRTNFLXX74H	Verizon	MLBYFLXARSA	Verizon	STGRFLXA78H
Verizon	BYSHFLXA84H	Verizon	MNLKFLXA85H	Verizon	SWTHFLXA88H
Verizon	CLWRFLXA44H	Verizon	MYCYFLXA32H	Verizon	SWTHFLXADS0
Verizon	CLWRFLXADS0	Verizon	NGBHFLXA39H	Verizon	TAMPFLXEDS0
Verizon	CNSDFLXA79H	Verizon	NPRCFLXA84H	Verizon	TAMPFLXX22H
Verizon	CRWDFLXA96H	Verizon	NRPTFLXA42H	Verizon	TAMPFLXX27H
Verizon	CYGRFLXA32H	Verizon	NRSDFLXA35H	Verizon	THNTFLXADS0
Verizon	DNDNFLXA73H	Verizon	OLDSFLXA85H	Verizon	TMTRFLXADS0
Verizon	DUNDFLXA43H	Verizon	OSPRFLXA96H	Verizon	TRSPFLXA93H
Verizon	ENWDFLXA47H	Verizon	PKCYFLXARSA	Verizon	UNVRFLXA97H
Verizon	FHSDFLXA57H	Verizon	PLMTFLXA72H	Verizon	VENCFLXA48H
Verizon	FRSTFLXA63H	Verizon	PLSLFLXA79H	Verizon	VENCFLXSDS0
Verizon	GNDYFLXA57H	Verizon	PNCRFLXA73J	Verizon	WIMMFLXA63H
Verizon	HDSNFLXA86H	Verizon	PNLSFLXA53H	Verizon	WLCHFLXA97H
Verizon	HGLDFLXA64H	Verizon	POINFLXARSA	Verizon	WLCRFLXA83H
Verizon	HNCYFLXA42H	Verizon	PRSHFLXARSA	Verizon	WNHNFLXC29H
Verizon	HNCYFLXN424	Verizon	PSDNFLXA34H	Verizon	WSSDFLXA87H
Verizon	HYPKFLXADS0	Verizon	PTCYFLXA75H	Verizon	WSSDFLXADS0
Verizon	INLKFLXARSA	Verizon	RSKNFLXA64H	Verizon	YBCTFLXA24H
Verizon	INRKFLXX59H	Verizon	SEKYFLXA34H	Verizon	ZPHYFLXA78H
Verizon	INVRFLXADS1	Verizon	SGBEFLXA36H		

Sprint	ALFRFLXARS0	Sprint	GNVFLXARS0	Sprint	ORCYFLXADS0
Sprint	ALSPFLXADS0	Sprint	GNWDFLXARS0	Sprint	ORCYFLXCRS0
Sprint	ALVAFLXARS1	Sprint	GVLDLFLXARS0	Sprint	PNGRFLXADS1
Sprint	APPKFLXADS1	Sprint	HMSDFLXARS0	Sprint	PNISFLXADS0
Sprint	ARCDLFLXADS0	Sprint	IMKFLFLXARS0	Sprint	PNLNFLXARS0
Sprint	ASTRFLXARS0	Sprint	IONAFLXARS0	Sprint	PTCTFLXADS0
Sprint	AVPKFLXADS0	Sprint	KNVFLFLXARS0	Sprint	RYHLFLXARS0
Sprint	BLVWFLXADS0	Sprint	KSSMFLXADS0	Sprint	SBNGFLXADS1
Sprint	BNFYFLXARS0	Sprint	KSSMFLXBDS1	Sprint	SCPKFLXARS0
Sprint	BNSPFLXADS1	Sprint	KSSMFLXDRS0	Sprint	SGBHFLXARS0
Sprint	BSHNFLXARS0	Sprint	LBLLFLXADS0	Sprint	SHLMFLXADS0
Sprint	BVHLFLXADS0	Sprint	LDLKFLXARS0	Sprint	SLHLFLXARS0
Sprint	BWLGFLXARS0	Sprint	LEE FLXARS0	Sprint	SNANFLXARS0
Sprint	CHLKFLXARS0	Sprint	LHACFLXADS0	Sprint	SNDSFLXARS0
Sprint	CLMTFLXADS0	Sprint	LKBRFLXADS1	Sprint	SNISFLXARS0
Sprint	CLTNFLXARS0	Sprint	LKHLFLXARS0	Sprint	SNRSFLXARS0
Sprint	CPCRFLXADS0	Sprint	LKPCFLXARS0	Sprint	STCDFLXARS0
Sprint	CPCRFLXBDS1	Sprint	LSBGFLXADS1	Sprint	STRKFLXADS0
Sprint	CPHZFLXADS0	Sprint	MALNFLXARS0	Sprint	SVSPFLXARS0
Sprint	CRRVFLXARS0	Sprint	MDSNFLXADS0	Sprint	SVSSFLXARS0
Sprint	CRVWFLXADS0	Sprint	MNTIFLXADS0	Sprint	TLCHFLXARS0
Sprint	CSLBFLXADS1	Sprint	MRDCFLXARS0	Sprint	TLHSFLXADS0
Sprint	CYLKFLXADS0	Sprint	MRHNFLXARS0	Sprint	TLHSFLXBDS0
Sprint	CYLKFLXBRS0	Sprint	MRNNFLXADS0	Sprint	TLHSFLXCDS0
Sprint	DDCYFLXADS1	Sprint	MTDRFLXARS0	Sprint	TLHSFLXDDS0
Sprint	DESTFLXADS0	Sprint	MTLDFLXADS1	Sprint	TLHSFLXFDS0
Sprint	DFSPFLXADS0	Sprint	MTVRFLXARS0	Sprint	TLHSFLXGRL0
Sprint	ESTSFLXARS0	Sprint	NFMYFLXADS0	Sprint	TLHSFLXHDS0
Sprint	EVRGFLXARS1	Sprint	NFMYFLXBRS0	Sprint	TVRSFLXADS0
Sprint	FTMBFLXARS0	Sprint	NNPLFLXADS1	Sprint	UMTLFLXARS0
Sprint	FTMDFLXARS0	Sprint	NPLSFLXCDS0	Sprint	VLPRFLXADS0
Sprint	FTMYFLXADS0	Sprint	NPLSFLXDDS0	Sprint	WCHLFLXADS0
Sprint	FTMYFLXBRS0	Sprint	OCALFLXADS0	Sprint	WLSTFLXARS0
Sprint	FTMYFLXCDS2	Sprint	OCALFLXBDS0	Sprint	WLWDFLXARS0
Sprint	FTWBFLXADS0	Sprint	OCALFLXCRS0	Sprint	WNDRFLXARS0
Sprint	FTWBFLXBDS0	Sprint	OCALFLXJRS0	Sprint	WNGRFLXADS0
Sprint	GDRGFLXADS0	Sprint	OCNFFLXARS0	Sprint	WNPFLXADS1
Sprint	GLGCFLXADS0	Sprint	OKCBFLXADS1	Sprint	WSTVFLXARS0
Sprint	GLRDFLXADS0	Sprint	OKLWFLXADS0	Sprint	ZLSPFLXARS0

Florida



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July 3, 2000
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC: 96-45

Ms. Sheryl Todd
Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

RE: Self-Certification as a Rural Telephone Company

Dear Ms. Todd:

In its Tenth Report and Order in CC Docket No. 96-45, (released November 2, 1999), the Commission settled several outstanding questions regarding the proper determination of a carrier's rural status for purposes of receiving universal service funds. Among the issues the Commission resolved were how to define a 'local exchange company' and how to define a 'community' as those terms are used in the Telecommunications Act of 1996.

47 U.S.C. 153(37) outlines the circumstances under which a local exchange carrier is deemed to be a 'rural telephone company'. The Commission has directed that a carrier seeking to be classified as a rural telephone company file a letter certifying itself to be rural. A carrier seeking certification pursuant to 47 U.S.C. 153(37)(D) (i.e., carriers having less than 15 percent of their access lines in communities of more than 50,000), must include in its certification letter the following information: a list of all communities of more than 50,000 to which the carrier provides service; the population of those communities; the number of access lines serving those communities; and the total number of access lines the carrier serves.

In accordance with the language of the statute, and pursuant to the Commission's findings regarding the definition of 'local exchange carrier' and 'community', Sprint-Florida, Inc. ("Sprint") herein certifies that it is a rural telephone company in the state of Florida for purposes of 47 U.S.C. 153(37)(D).

According to 1990 Census data, Sprint serves three communities in Florida with populations greater than 50,000. Those communities are Cape Coral, Deltona, and Tallahassee. Based on 1995 estimates, Cape Coral has a population of approximately 86,945. Sprint serves approximately 65,809 in Cape Coral. Deltona's population is estimated to be 55,524; Sprint serves 15,752 access lines within the city limits of Deltona. Finally, Tallahassee has a population of 135,510 with 177,823 Sprint access lines in the area.

The total number of access lines served by Sprint in its Florida territories is 2,160,161. When considering the access lines serving Cape Coral, Deltona, and Tallahassee, this equates to 12.01% of Sprint's Florida access lines being located in communities of more than 50,000.

It is on the basis of this information that Sprint certifies that it is, pursuant to 47 U.S.C. 153(37)(D), a rural telephone company in the state of Florida.

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Sincerely,