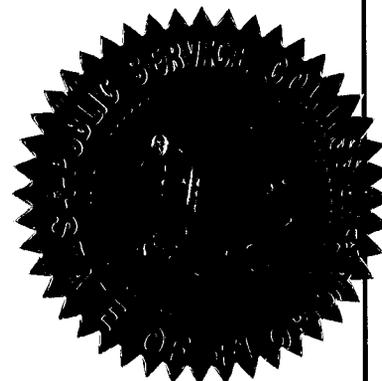


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060582-TP

In the Matter of:

PETITION OF ALLTEL COMMUNICATIONS, INC. FOR
DESIGNATION AS ELIGIBLE TELECOMMUNICATIONS
CARRIER (ETC) IN CERTAIN RURAL TELEPHONE
COMPANY STUDY AREAS LOCATED ENTIRELY IN
ALLTEL'S LICENSED AREA.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 4

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, October 9, 2007

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 060582-TP 09485 OCT 16 5

FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 BETH KEATING, ESQUIRE, MIKE TWOMEY, ESQUIRE, and
3 STEVE MOWERY, representing ALLTEL Communications, Inc.

4 THOMAS M. MCCABE, representing TDS Telecom and
5 Quincy Telephone.

6 ADAM TEITZMAN, ESQUIRE, and BOB CASEY,
7 representing the Commission Staff.

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CHAIRMAN EDGAR: And we will be on Item 4.

MR. CASEY: Good morning, Commissioners. Bob Casey on behalf of staff.

Item Number 4 addresses AllTel Communication's petition for eligible telecommunications status in rural areas of Florida served by GT Com, TDS Telecom, and Frontier Communications. Staff is recommending that this docket be set for hearing to develop a formal record upon which the Commission can make an informed decision regarding Alltel's petition.

With us this morning we have Ms. Susan Masterton representing Embarq Florida; Ms. Beth Keating, Mr. Mike Twomey, and Mr. Steve Mowery on behalf of Alltel; and Mr. Tom McCabe representing TDS Telecom, all of whom would like to address the Commission on this item.

Staff is prepared to answer any questions you may have.

CHAIRMAN EDGAR: Thank you. Ms. Keating.

MS. KEATING: Good morning, Madam Chair, Commissioners.

First, I want to thank you for the opportunity to appear before you today. And on behalf of Alltel, I'd like to say that we fully support your staff's recommendation to set this matter directly for hearing. We look forward to

1 presenting evidence and arguments through the formal hearing
2 process that will, we believe, at the end of the day,
3 demonstrate that Alltel should be granted ETC designation in
4 the areas requested in the petition. If you approve staff's
5 recommendation, we are fully prepared to move forward
6 expeditiously according to your schedule and hope that this
7 will, in fact, be placed on an expedited hearing track.

8 I would just note that staff has, as you are aware,
9 identified some other parties that would like to address you on
10 this item today. Alltel does not feel it necessary to raise an
11 objection at this time, but we do want to make you aware that
12 if this proceeding does move forward we may find it necessary
13 to raise questions of standing with regard to certain parties'
14 right to participate further in the hearing process.

15 But, with that, Madam Chair, Commissioners, we stand
16 ready to address any questions that you may have.

17 CHAIRMAN EDGAR: Thank you.

18 Mr. McCabe.

19 MR. McCABE: Tom McCabe on behalf of TDS Telecom.

20 Generally, we support staff's recommendation in terms
21 of taking this to hearing, although I think that these are
22 important public policy decisions that you're going to be
23 making, and I think making this more of a generic docket would
24 be more appropriate.

25 We had a workshop on August 20th in which parties had

1 an opportunity to present their positions with respect to
2 various issues relating to ETC designation requirements, things
3 of that nature. And I think keeping those folks out of the
4 opportunity to participate in establishing this public policy
5 would not provide you with all the information I think that
6 would be relevant for you to consider in making this decision.
7 Thank you.

8 CHAIRMAN EDGAR: Ms. Masterton.

9 MS. MASTERTON: Good morning, Commissioners. Thank
10 you for the opportunity to make these comments.

11 Embarq agrees with what Mr. McCabe said about the
12 need for a generic investigation of these issues. And, in
13 fact, at the last agenda conference where you considered this
14 docket you recommended to staff that they conduct such a
15 proceeding. Embarq participated in the workshop that was
16 conducted and intended to fully participate in additional
17 proceedings as they went forward.

18 In considering Alltel's petition, you all recognized
19 it is a case of first impression, and there's important policy
20 issues related to the purpose of universal service and the
21 effect on the universal service fund that you will be
22 considering in this. We believe that the Commission needs to
23 carefully scrutinize and develop the public interest standard
24 that will apply to wireless ETC petitions, including Alltel's
25 petition that's before you here. And while Embarq's territory

1 is not directly affected by this petition, we are affected by
2 any decision that the Commission would make both by the
3 precedent it would set for future petitions and also because of
4 the potential effect on the federal USF fund. Therefore,
5 Embarq intends to intervene in the proceeding and to
6 participate to the extent that we are permitted to and as is
7 appropriate to consider these issues before the Commission.

8 Thank you.

9 CHAIRMAN EDGAR: Thank you.

10 Mr. Teitzman, can you speak to the issues that Ms.
11 Masterton and Mr. McCabe have raised as regards the staff
12 recommendation to proceed to hearing versus the suggestion of a
13 generic docket.

14 MR. TEITZMAN: Well, first I would point out that
15 until today we had not heard a request for a generic hearing.
16 Obviously we have received a request from Alltel to proceed in
17 their docket with a hearing, so this would be the first time
18 we've have had a formal request for a generic proceeding.

19 There are some significant policy issues to be
20 addressed. We have not also received a petition to intervene
21 by Embarq at this time in this proceeding, so we have not
22 addressed those arguments either, whether or not it is
23 appropriate for them to intervene in this proceeding. That is
24 still a question to be answered.

25 At the end of the day, I guess, certainly we could

1 proceed in a generic proceeding if the Commission would like
2 to. I think the important thing right now is just to proceed
3 and move ahead with these issues. So that would be, I think,
4 staff's primary goal at this time.

5 CHAIRMAN EDGAR: And if the staff's recommendation
6 were to be adopted to move this to the hearing stage, then
7 requests for intervention and issues of standing would be
8 addressed by the prehearing officer prior to that hearing?

9 MR. TEITZMAN: That is correct, Chairman.

10 CHAIRMAN EDGAR: Thank you.

11 Commissioners, questions or discussion? No
12 questions?

13 Commissioner McMurrrian.

14 COMMISSIONER McMURRIAN: This is for staff.

15 If we were to move ahead as staff has recommended
16 here with the petition by Alltel and make a decision on the
17 issues that certainly include policy issues, although that may
18 be precedent setting in some way, that doesn't mean there would
19 be necessarily the same outcome if we had a different set of
20 facts for a different company, right?

21 MR. TEITZMAN: That is correct. They would be taken
22 up -- applications would be taken up on a case-by-case basis.

23 COMMISSIONER McMURRIAN: And if we were to have --
24 Chairman -- if we were to have a generic docket, the time line
25 for that would probably be considerably more lengthy than if we

1 have a docket with respect to Alltel's petition before us,
2 correct?

3 MR. TEITZMAN: I believe so. Right now we have --
4 there are some dates available in December that we are
5 targeting for this proceeding. I don't know -- if it was
6 opened up to a generic proceeding, there would be some
7 different factors involved that would probably require us to
8 have a hearing going into 2008.

9 COMMISSIONER McMURRIAN: Commissioners, for what it's
10 worth, it just seems like at this point that perhaps it's
11 better to move along -- from my standpoint, to move along and
12 take up Alltel's petition, and then, I guess, see where that
13 leads us after that.

14 CHAIRMAN EDGAR: And that is my thinking, as well.

15 Commissioners, any other questions? Seeing none, is
16 there a motion?

17 COMMISSIONER CARTER: Move staff.

18 COMMISSIONER SKOP: Second.

19 CHAIRMAN EDGAR: A motion and a second for the staff
20 recommendation on Item 4. Any further discussion?

21 Seeing none, all in favor say aye?

22 (Unanimous affirmative vote.)

23 CHAIRMAN EDGAR: Opposed?

24 Show it adopted. Thank you.

25 MS. KEATING: Thank you, Commissioners.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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5 I, JANE FAUROT, RPR, Chief, Hearing Reporter Services
6 Section, FPSC Division of Commission Clerk, do hereby certify
7 that the foregoing proceeding was heard at the time and place
8 herein stated.

9 IT IS FURTHER CERTIFIED that I stenographically
10 reported the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript constitutes a true transcription of my notes of said
13 proceedings.

14 I FURTHER CERTIFY that I am not a relative, employee,
15 attorney or counsel of any of the parties, nor am I a relative
16 or employee of any of the parties' attorney or counsel
17 connected with the action, nor am I financially interested in
18 the action.

19 DATED THIS 16th day of October, 2007.

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