

QUESTIONS TO BE ANSWERED
Answers to be submitted by August 31, 2007

- 1) What is the role and authority of the FPSC in the USF process?

NO OPINION OFFERED.

- 2) How many ETCs should be designated in a rural wire center?

RURAL WIRE CENTERS SHOULD BE SERVED BY ANY ETC REQUESTING THE DESIGNATION THAT HAS THE ABILITY TO SERVE THE AREA.

- 3) How many ETCs should be designated in a non-rural wire center?

ANY ETC REQUESTING DESIGNATION SHOULD RECEIVE THE DESIGNATION. SOME WILL ARGUE THAT THE ILEC IS SUFFICIENT OR THAT THE ILEC AND ONE OR TWO OTHERS WOULD BE SUFFICIENT. HOWEVER, MANY SMALL CLECS SERVE CREDIT- CHALLENGED SUBSCRIBERS, SOME SERVE SPECIAL LANGUAGE SUBSCRIBERS AND OTHERS SERVE SUBSCRIBERS WITHOUT PROPER DOCUMENTATION. THE ILECS WOULD CHARGE LARGE DEPOSITS TO THE CREDIT- CHALLENGED AND THUS THOSE SUBSCRIBERS WOULD NOT BE SERVED UNLESS FREE MARKET COMPETITION IS ALLOWED TO DEVELOP. LIKewise, SPECIAL LANGUAGE SUBSCRIBERS AND THOSE WITHOUT PROPER DOCUMENTATION WILL OFTEN BE UNDERSERVED OR UNSERVED BY THE ILEC OR LARGE CLECS WHO ARE INTERESTED ONLY IN LARGE SUBSCRIBER BASES INSTEAD OF SERVING A SPECIFIC MARKET SEGMENT.

- 4) If a limit is set on the number of ETCs designated in a wire center, how should it be decided which ETC (s) serve it? (e.g., one wireline & one wireless?)

I DO NOT BELIEVE THAT THERE SHOULD BE A CERTAIN NUMBER SET FOR ETC DESIGNATION. ALL THAT APPLY AND THAT CAN ACCOMPLISH CERTIFICATION SHOULD BE ALLOWED TO PROVIDE ETC SERVICES. AGAIN, MARKET SEGMENTS WILL BE UNDERSERVED WITHOUT A LARGE GROUP OF ETC DESIGNATED PROVIDERS. BOTH WIRELINE AND WIRELESS SHOULD BE CERTIFIED SO AS TO REACH THE LARGEST SEGMENT OF THE POPULATION POSSIBLE.

- 5) How should "Public Interest" be determined for ETC designation in a rural area?

PUBLIC INTEREST CAN BE DETERMINED IN RURAL AREAS BY ASSESSING THE FINANCIAL ABILITY OF THOSE REQUESTING ETC DESIGNATIONS TO PROVIDE THE NECESSARY EQUIPMENT AND BUSINESS PLAN TO SUCCESSFULLY SERVE THE RURAL AREA. AGAIN, THE GOAL WOULD BE TO REACH THE LARGEST SEGMENT OF THE POPULATION POSSIBLE. THE MORE ETC DESIGNATIONS THERE ARE, THE MORE COMPETITION THERE WILL BE, AND THAT MEANS THE SUBSCRIBER SHOULD HAVE MORE CHOICE AND BETTER SERVICE BECAUSE OF THE COMPETITION.

- 6) Can a state apply a "Public Interest" standard found in § 214(e)(2) of the Telecommunications Act of 1996, to carriers seeking ETC status in non-rural study areas? If so, how should "Public Interest" be determined for ETC designation in a non-rural area

THE TELECOMMUNICATIONS ACT OF 1996 EMBRACES SERVICE TO LOW INCOME SUBSCRIBERS AS ONE OF ITS FUNDAMENTAL GOALS. THUS PROMOTING COMPETITION AND ELEMENATING REGULATION IS ONE OF THE GOALS OF THE ACT. ONE OF THE MAIN RESPONSIBILITIES OF THE ACT IS TO ENSURE THAT ALL AMERICANS HAVE ACCESS TO TELECOMMUNICATIONS & INFORMATION SERVICES AT AFFORDABLE AND REASONABLY COMPARABLE RATES. TO ACCOMPLISH THIS, IT WOULD SEEM THAT ETC CERTIFICATION SHOULD BE DETERMINED BY ALLOWING THE ETC DESIGNATION IN NON-RURAL AREAS FOR ALL WHO SEEK THEM SO THAT SUFFICIENT COMPETITION WILL BE ALLOWED.

- 7) What additional criteria should be required to obtain ETC status for high-cost funds? (e.g., USF funds must be invested in Florida? USF funds must be used in unserved areas?)

IT WOULD SEEM THAT USF FUNDS SHOULD BE INVESTED IN THE AREAS FROM WHICH THE FUNDS ARE GENERATED. HOWEVER, IF THOSE AREAS ARE SUFFICIENTLY SERVED, THE FUNDS WOULD SEEM TO BE BETTER UTILIZED TO DEVELOP UNSERVED AREAS. WHETHER THIS DEVELOPMENT WOULD BE DIRECTED TO WIRELINE OR WIRELESS WOULD SEEM TO BE IMMATERIAL AS DEVELOPMENT OF BOTH SERVICES WOULD BETTER SERVE THE GOALS OF THE TELECOMMUNICATIONS ACT AND CITIZENS.

- 8) Pursuant to § 214(e)(1), should an entity be required to establish its ability to serve all customers of the current ETC, if the incumbent ETC relinquishes its designation

NO, EVERY ETC SHOULD NOT BE REQUIRED TO ESTABLISH AN ABILITY TO SERVE ALL CUSTOMERS OF THE CURRENT ETC, ESPECIALLY IF THE ILEC IS THE ETC. AN ILEC SHOULD ONLY BE ABLE TO REQLINQUISH ITS DESIGNATION WHEN AN APPROPRIATE REPLACEMENT IS IDENTIFIED AND APPROVED BY THE FPSC. OTHER ETC PROVIDERS SUCH AS CLECS & WIRELESS COMPANIES PROVIDE COMPETITIVE SERVICE TO SPECIAL MARKET SEGMENTS AND ARE ESSENTIAL TO REACH THE LARGEST SUBSCRIBER MARKET PENETRATION.

- 9) In Order No. PSC-07-0288-PAA-TP, the FPSC concluded that ". . . we now have jurisdiction to consider CMRS applications for ETC designation." Given that the FCC's jurisdiction to designate a carrier as an ETC, in § 214(e)(6) of the Telecommunications Act of 1996, is premised on a state commission not having jurisdiction, can the FCC designate any additional carriers within Florida?

FUNDAMENTALLY, THE STATE HAS THE RIGHT TO DESIGNATE ETC CARRIERS IN FLORIDA. HOWEVER, THE QUESTION AS TO THE FCC'S JURISDICTION WOULD SEEM TO BE A LEGAL QUESTION THAT WOULD OF NECESSITY BE DETERMINED BETWEEN THE FCC & THE FPSC.

- 10) Can the FCC continue to perform annual certification of carriers that it has designated if it no longer has jurisdiction under § 214(e)(6) of the Telecommunications Act of 1996?

IT WOULD SEEM MORE APPROPRIATE FOR THE FPSC TO HAVE ANNUAL CERTIFICATION RESPONSIBILITIES AS THE SERVICE COMPLAINTS AND COMPLIMENTS ARE MORE LIKELY TO COME TO THE FPSC THAN THE FCC BY SUBSCRIBERS. AGAIN, THOUGH, THIS WOULD SEEM TO BE A LEGAL QUESTION BETWEEN THE FCC AND THE FPSC.

- 11) Should an ETC be required to offer all supported services pursuant to 47 C.F.R. § 54.101(a)(1), not just, e.g., Lifeline and Link-Up?

NO, WE DO NOT THINK THAT AN ETC SHOULD BE REQUIRED TO OFFER ALL SUPPORTED SERVICES. LIFELINE AND LINK-UP ARE PUBLIC SAFETY ISSUES AND SHOULD BE SERVED BY THE LARGEST NUMBER OF PROVIDERS POSSIBLE IN ORDER TO COVER THE LARGEST NUMBER OF SUBSCRIBERS. THE ILEC IS IN A BETTER POSITION TO PROVIDE MANY OF THE OTHER SUPPORTED SERVICES. CLECS WILL MAKE A GREATER EFFORT TO REACH THE UNDER SERVED AND CREDIT CHALLENGED CITIZENS AND LIFELINE AND LINK-UP IS A LARGE NEED IN THIS PARTICULAR MARKET SEGMENT.

- 12) If an ETC uses its ETC designation only for the purposes of providing Lifeline service, should a waiver be sought of other requirements to offer services? What is the extent of the FPSC's authority to grant such waivers?

THE FPSC HAS THE AUTHORITY TO GRANT WAIVERS AS REQUESTED. IF AN ETC USES ITS DESIGNATION ONLY FOR THE PURPOSES OF PROVIDING LIFELINE AND LINK-UP SERVICE, THAT IS SUFFICIENT FOR ETC DESIGNATION AS IT SERVES THE COMPETITION GOALS OF THE TELECOMMUNICATIONS ACT OF 1996 AND ENSURES THAT A LARGER MARKET SEGMENT OF CITIZENS WILL RECEIVE SERVICE.

- 13) What can Florida do to relinquish its role as being the number one net contributor to the USF fund?

PERHAPS USF CHARGES ARE ONE OF THOSE ITEMS THAT SHOULD BE REDUCED AND/OR DELETED AS UNDERSERVED AREAS ARE MORE FULLY DEVELOPED.

- 14) In considering the "Public Interest" standard for ETC designation, to what degree should the following aspects be considered:

- a. The benefits of increased customer choice?

THE TELECOMMUNICATIONS ACT OF 1996 SPECIFIES THAT COMPETITION IS A LARGE PART OF THE GOAL, THUS INCREASED CUSTOMER CHOICE IS ESSENTIAL IN CONSIDERING PUBLIC INTEREST STANDARDS FOR ETC DESIGNATION.

- b. The impact of the designation on the universal service fund?

COMPETITION IS INVOLVED IN THE USF AS WELL. HOWEVER, WE REQUEST THAT THE FPSC CONSIDER THAT WHEN A CLEC PURCHASES LINES TO RESELL FROM THE ILEC THAT THE PRICE PAID TO THE ILEC INCLUDES A BUILT IN USF ALLOCATION AND THUS THE CLEC IS ENTITLED TO USF FUND REIMBURSEMENTS OR OFFSETS TO USF CHARGES, PARTICULARLY IN NON-RURAL AREAS.

- c. The unique advantages and disadvantages of the competitor's service offering?

SINCE WE FEEL THAT THE ILEC SEEKS THE MARKET SEGMENT WITH THE HIGHEST PROFITABILITY, WE FEEL THAT THE ADVANTAGES OF COMPETITOR OFFERINGS ARE ESSENTIAL TO SERVE A LARGE PORTION OF THE TELECOMMUNICATIONS MARKET. WE SEE FEW DISADVANTAGES OF COMPETING OFFERINGS.

- 15) How should the comparable local usage requirement of ETC designation be considered?

WE FEEL THAT ETC DESIGNATION SHOULD BE CONSIDERED FOR ALL APPLICANTS.

- 16) Should the amount of per-line support received by the incumbent LEC be a consideration in ETC designation?

CONSIDERATION FOR THE ILEC SHOULD NOT BE BEYOND THE NORMAL ETC REIMBURSEMENTS THAT ANY ETC WOULD RECEIVE. IN MANY CASES, COMMUNITIES & STATES HAVE SUPPORTED THE DEVELOPMENT OF THE ILEC INFRASTRUCTURE THROUGH SPECIAL CHARGES DURING THE EARLY DEVELOPMENT STAGE OF THE ILEC THUS THE ILEC HAS RECEIVED WHAT COULD BE, IN MANY INSTANCES, CALLED PREFERENTIAL TREATMENT IN ORDER TO BECOME THE ILEC. THE ILEC SHOULD NOT BE CONSIDERED ELIGIBLE FOR ANY SUPPORT FROM ETC FUNDS, IF THE SUBSCRIBER IS RECEIVING SERVICE THROUGH A CLEC OR WIRELESS PROVIDER.

- 17) Should a requirement of one line per household for USF be imposed? Does the FPSC have the authority to take such action?

THE FPSC SHOULD HAVE THE AUTHORITY TO DECIDE ABOUT LINES PER HOUSEHOLD. THERE ARE INSTANCES WHERE WE BELIEVE THAT MORE THAN ONE LINE PER HOUSEHOLD WOULD BE APPROPRIATE AND EVEN NECESSARY, IN THE INSTANCE OF SEVERELY HANDICAPPED OR ILL SUBSCRIBERS. IT MAY WELL BE NECESSARY FOR ONE LINE TO BE AVAILABLE TO CALL EMERGENCY SERVICES WHILE ANOTHER NEEDS TO BE AVAILABLE FOR CALLING PHYSICIANS OR OTHER ASSISTANCE. THIS COULD BE ACCOMPLISHED WITH TWO OR MORE WIRELINES OR A COMBINATION OF WIRELINES AND WIRELESS SERVICE.

- 18) Should ETCs be required to list the projects and locations of all projects for which USF funds will be used in their five-year plans? Should ETCs be required to provide an explanation if a project isn't completed by the time of the next annual recertification?

ETC'S INVOLVED IN DEVELOPING EXPANDED SERVICE FACILITIES MAY WELL WISH TO NOTIFY THE FPSC OF THEIR GOALS. WE FEEL THOUGH THAT 5 YEAR PLANS ARE AN EXERCISE THAT ILL SERVES THE TELECOMMUNICATIONS PROVIDER AND THE FPSC. IF A PROJECT IS APPROVED FOR USF FUNDS AND IS NOT COMPLETED BY THE TIME OF THE NEXT RECERTIFICATION, THEN EXPLANATIONS COULD BE PROVIDED TO THE FPSC. CLECS SHOULD BE EXEMPT FROM FUTURE PLANNING AS THEIR USF CONTRIBUTION IS MADE THROUGH THE COSTS THEY PAY TO THE ILEC FOR RESELL TO SUBSCRIBERS.

- 19) How should the benefit be measured of adding plant in a wire center using USF funds? (e.g., more customers? more handsets? better coverage?)

BENEFITS SHOULD BE MEASURED IN ADDING PLANT AND EXTENDING SERVICE AREAS AND PROVIDING BETTER COVERAGE FOR ILECS. CLEC BENEFITS SHOULD BE MEASURED THROUGH MORE CUSTOMER MARKET PENETRATION AND MORE COMPETITION FOR SPECIAL MARKET SEGMENTS SUCH AS CREDIT CHALLENGED, SPECIAL LANGUAGE , AFFINITY MARKETS AND LOW START UP COSTS.

- 20) What criteria should be used to determine if an ETC is meeting the Lifeline and Link-Up advertising requirements?

AN ETC MAY PROVIDE COPIES OF ADVERTISING MATERIAL, AND BE LISTED ON THE FPSC WEBSITE AS AN AUTHORIZED ETC PROVIDER.

- 21) What criteria should be met if an ETC decides it wishes to relinquish its ETC designation?

IF AN ETC DECIDES TO RELINQUISH ITS ETC DESIGNATION, THEN APPROPRIATE TIME MUST BE ALLOATED FOR LIFELINE SUBSCRIBERS TO BE TRANSFERRED TO AN AUTHORIZED ETC PROVIDER. ONCE THAT HAS BEEN ACCOMPLISHED AND A CERTIFIED AFFIDAVIT PRESENTED TO THE FPSC, CANCELLATION OF THE ETC CERTIFICATION, WITHOUT PREJUDICE SHOULD BE ACCEPTED BY THE FPSC.

- 22) What are the differences in the requirements to be an ETC versus the requirements of a carrier of last resort (COLR)?

A CARRIER OF LAST RESORT SHOULD BE THE ILEC OR A WIRELESS PROVIDER, WHICH EVER ONE HAS THE ABILITY TO SERVE THE SUBSCRIBER. WE THINK THAT AN ETC CAN BE A CARRIER OF LAST RESORT ONLY IF THEY HAVE THE PHYSICAL PLANT NECESSARY TO COVER THE MARKET AREA AND SUBSCRIBER BASE.

- 23) Do the responsibilities associated with ETC designation differ from those afforded a COLR under state law? If so, what are the differences and similarities?

WE BELIEVE THAT AN ETC CAN BE AND MUST BE CLECS AS WELL AS ILECS AND WIRELESS PROVIDERS. A COLR MUST BE AN ILEC OR WIRELESS PROVIDER THAT HAS THE PHYSICAL PLANT NECESSARY TO COVER THE MARKET AREA AND SUBSCRIBER BASE.

- 24) Should a company which is a reseller and who also leases network elements be required to have a certain percentage of customers served by the leasing of network elements to meet the "own facilities" requirement?

NO. A RESELLER MEETS THE 'OWN FACILITIES' REQUIREMENT BY PURCHASING THE SUBSCRIBER LINES WHOLESALE (AND AT A PROFIT TO THE ILEC) TO RESELL. THE CLEC TAKES THE RISK OF PROVIDING SERVICE WITH A SMALLER PROFIT MARGIN AND MOST FREQUENTLY PROVIDES SERVICE TO THE CUSTOMER SEGMENT THAT IS NOT PROFITABLE TO THE ILEC OR WIRELESS CARRIER. THUS THE 'OWN FACILITIES' REQUIREMENT SHOULD BE MET EASILY BY THE PURCHASE OF FACILITIES USE FROM THE ILEC.

- 25) What percentage of wireless CETC support should go to new towers in unserved areas?

WE ARE NOT A WIRELESS CARRIER BUT IT WOULD APPEAR THAT EITHER IMPROVED TOWERS OR NEW TOWERS WOULD BE DESIRABLE IN UNSERVED AREA...PARTICULARLY IF THE AREA WAS ALSO UNSERVED BY WIRELINE SERVICES.

- 26) What other issues need to be addressed when considering ETC policy?

THOSE CERTIFIED AS ETC PROVIDERS SHOULD MAINTAIN SUFFICIENT RECORDS TO PASS AN AUDIT SHOWING THAT THE LIFELINE AND LINK-UP SUBSCRIBERS CLAIMED FOR REIMBURSEMENT WERE ACTUALLY SUBSCRIBERS AT THE TIME REIMBURSEMENT WAS CLAIMED AND/OR RECEIVED.