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Before the  
Florida Public Service Commission

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COMMISSION  
CLERK

Docket No.

041302-TX

In re the Petition of )  
Knology of Florida, Inc )  
For Designation as an Eligible )  
Telecommunications Carrier )  
In the State of Florida )

**PETITION FOR DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER IN THE STATE OF FLORIDA  
(NO RURAL REDEFINITION REQUESTED)**

Pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended,<sup>1</sup>  
Knology of Florida, Inc. (hereinafter, "Knology") hereby petitions the Florida Public  
Service Commission (hereinafter "Commission") for designation as an Eligible  
Telecommunications Carrier ("ETC"). In this petition, Knology requests ETC  
designation in non-rural local exchange carrier ("LEC") wire centers in the Panama City  
area and Pinellas County. BellSouth has three exchanges in Panama City, which include  
Panama City, Panama City Beach and Lynn Haven. Knology serves all three exchanges.  
Knology also serves Verizon's exchanges in Pinellas County, including Clearwater, St.  
Petersburg and Dunedin.<sup>2</sup> Knology does not request ETC designation in rural LEC study  
areas of Florida.

As demonstrated below, Knology meets all of the statutory and regulatory  
prerequisites for ETC designation. Furthermore, Commission designation of Knology as  
an ETC will serve the public interest.

<sup>1</sup> 47 U.S.C. § 214(e)(2).

<sup>2</sup> These areas are illustrated in Exhibit A.

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I. Applicable Statutes and Rules

1. The statutes and rules implicated by the instant Petition include: 47 U.S.C. §§ 153(27), 153(44), 153(46), 214(e), 254(e); 47 CFR §§ 51.5, 54.5, 54.101, 54.201, 54.207, 54.307, 54.313, 54.405, and subpart J 54.800 *et seq.*

II. Authorization and Service Area

2. Knology is a telecommunications carrier as defined in 47 U.S.C. § 153(44) and 47 CFR § 51.45, and for Part 54 of the FCC's rules. Knology is certified as a competitive local exchange telephone utility in the state of Florida.<sup>3</sup>
3. Knology is a fully integrated facility-based provider of video, voice, data and advanced communications services to residential and business customers in nine markets in the southeastern United States. It was the 26th largest cable television provider in the United States as of June 2003. As of December 31, 2003, it had approximately 382,000 total connections (voice, video and data connections counted separately).
4. Knology provides services over its wholly owned, fully upgraded 750 MHz interactive broadband network. As of December 31, 2003, its network passed approximately 737,000 marketable homes. The network is designed with sufficient capacity to meet the growing demand for high-speed and high-bandwidth video, voice and data services, as well as the introduction of new communications services.

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<sup>3</sup> Certificate No. 5345

5. Knology has operating experience in marketing, selling, provisioning, servicing and operating video, voice and data systems and services. It has delivered a bundled service offering for six years, and is supported by a management team with decades of experience operating video, voice and data networks. It provides a full suite of video, voice and data services in Huntsville and Montgomery, Alabama; Panama City, Florida; Augusta, Columbus and West Point, Georgia; Charleston, South Carolina; and Knoxville, Tennessee. It also offers video and data services in Pinellas County, Florida and has begun to enhance network assets in that market to provide voice services.
6. Knology entered the Panama City market in 1998 when it bought Beach Cable. Since then, it has invested about \$50 million in its Panama City services. Knology's investment has been rewarded with impressive performance in Panama City. The Knology Panama City Beach center employs about 100 workers. Most of the employees are advanced technicians.
7. Knology recently purchased the video assets of Verizon in Pinellas County and is currently upgrading its system in this County to provide a voice video and data. This acquisition provides an opportunity for Knology to market voice, video and data services to approximately 275,000 homes and businesses.

III. Knology's Voice Telecommunications Services Qualify for Federal Universal Service Support.

8. Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's 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 charges therefor using media of general distribution.<sup>4</sup>
9. Congress requires that the Commission grant competitive ETC petitions in non-rural areas.<sup>5</sup> No specific public interest test is mentioned, as is the case for areas served by rural telephone companies.<sup>6</sup> Thus, because Knology seeks ETC designation solely in non-rural LEC wire centers, the Commission "shall" designate Knology as an ETC upon finding that the company meets the nine-point list of services and that it agrees to advertise the supported services throughout the designated service area.
10. The services designated for support include the following items:
  - (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 signalling the network that the

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<sup>4</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d).

<sup>5</sup> See 47 U.S.C. 214(e)(2).

<sup>6</sup> See *Id.*

caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;

- (2) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the Commission, 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, 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. 911 is defined as a service that permits a

telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point ("PSAP") operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information ("ANI"), which enables the PSAP to call back if the call is disconnected, and automatic location information ("ALI"), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;

- (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 or completion, or both, 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 for qualifying low-income consumers.
11. Knology is a full-service facilities-based competitive local exchange telephone utility that now offers, or commits to offer, all of these services in the Panama City area and plans to begin offering these services in Pinellas County beginning this year.
12. Knology is fully aware of the service requirements to offer telephone service because it offers services over a broadband network in much the same way local phone companies provide service. It installs a network interface box outside a customer's home, sometimes requiring that it add wiring inside the premises. Knology provides dial tone service. Its network interconnects with those of other local phone companies. It provides long-distance service using leased facilities from other telecommunications service providers. It has two Class 5, full-featured Nortel DMS 500 switches located in West Point, Georgia and nearby Huguley, Alabama that direct all of voice traffic and allows it to provide enhanced custom calling services including call waiting, call forwarding and three-way calling. Knology operates a telephone

system in Valley, Alabama and West Point, Georgia, where it is the rural incumbent telephone company.

13. Knology will announce and advertise telecommunications services, either on a stand-alone basis or as part of a bundled package, as an ETC in both of its Florida markets. Upon designation, the public in these markets will now have the opportunity to choose between two ETC-certified wireline carriers.

IV. Granting Knology's Petition will Serve the Public Interest

14. Although there is no requirement that Knology meet a Public Interest test before it can be designated as an ETC in non-rural LEC wire centers, the designation of Knology as an ETC, nonetheless, will serve the public interest.
15. The general principles in the Act are to “promote competition and reduce regulation ... [thereby securing] lower prices and higher quality services ... and encourage the rapid deployment of new telecommunications technologies.”<sup>7</sup> If a public interest test were to be applied to Knology, the Commission would need to determine whether Knology would advance the general principles of the Act. Knology respectfully submits that every goal outlined in the Act is advanced by Knology's activities in Florida.
16. Knology will use federal universal service support for its network installation and maintenance in the areas in which it is designated

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<sup>7</sup> Preamble to the Telecommunications Act of 1996 (the “Act”).



as an ETC. The populations residing in these areas will be able to benefit from Knology's robust telecommunications network.

17. Knology offers a complete solution of video, voice and data services in its Panama City market. Knology has begun to enhance its network assets in Pinellas County that were acquired from Verizon Media to provide voice services and plans to begin offering these services by the end of 2004. The Pinellas network enhancement is expected to be completed within two years.
18. Knology offers a broad range of service bundles designed to address the varying needs and interests of existing and potential customers. It is responsive to the competitive marketplace and it sells individual services at prices competitive to those of the incumbent providers. However Knology's value proposition to customers is to attractively price additional services in the form of bundles. Bundling services enables it to increase penetration and operating efficiencies, facilitate customer service, add value to customers seeking communications solutions and thereby increase customer retention. Knology provides a competitive choice to customers with a value package that is affordable and attractive.
19. The advantages of Knology's service offering are unique and yield a high customer satisfaction – expressed in its customer retention statistics.

20. Knology's interactive broadband network consists of redundant fiber-optic cables, coaxial cable and copper wire. Fiber-optic cable is a communications medium that uses hair-thin glass fibers to transmit signals over long distances with minimum signal loss or distortion. In most of its network, the system's main high capacity fiber-optic cables connect to multiple nodes throughout a network. The fiber rings are "self-healing," which means that they provide for the very rapid, automatic redirection of network traffic so that if there is a single point of failure on a fiber ring, our service will continue. The nodes are then connected to individual homes and buildings by coaxial cable and are shared by a number of customers, generally 500 homes. Knology has sufficient fibers in its cables to further subdivide these nodes to 125 homes if growth so dictates. The network has excellent broadband frequency characteristics and physical durability, which is conducive to providing video and data transmission and telephone service.
21. Knology provides power to its systems from locations along each network called hub sites, each of which is equipped with a generator and battery back-up power source to allow service to continue during a power outage. Additionally, individual nodes that are served by hubs are equipped with back-up power. Its redundant fiber-optic cables and network powering systems allows

it to provide circuit-based voice services consistent with industry reliability standards for traditional telephone systems.

22. Knology monitors its network 24 hours a day, seven days a week from the network operations center in West Point, Georgia. Technicians in each service area schedule and perform installations and repairs and monitor the performance of its interactive broadband network. Knology actively maintains the quality of its network to minimize service interruptions and extend the network's operational life.
23. Knology currently provides all of the services and functionalities supported by the federal universal service program, enumerated in Section 54.101(a) of the FCC's rules in and around Panama City and plans to provide these same services and functionalities in the Pinellas County area beginning this year. As required by law, Knology will provide service to any customer requesting service within its designated ETC service areas upon reasonable request and in accord with Commission regulations.
24. Knology seeks federal universal service support in order to speed the deployment to consumers in Florida of advanced network facilities that support the provision of basic telecommunications services as well as high-speed data and information services.
25. As an ETC, Knology will offer a basic universal service package to subscribers who are eligible for Lifeline support. Knology expects

that its service offerings will be competitive with those of the incumbent wireline carrier. In addition to a basic universal service telecommunications package, Knology will provide video, voice and data services over its broadband network and promote the adoption of these services by new and existing customers in bundled offerings. Bundling is central to its operating strategy and provides meaningful revenue opportunities; it also enables increased subscriber penetration and operating efficiencies, facilitates customer service, and reduces customer acquisition and installation costs. Knology believes that offering customers a bundle of video, voice and data services allows it to maximize the revenue generating capability of its state-of-the-art network by providing varied pricing packages and promoting customer retention.

26. Knology commits to use federal universal service support only for the provision and maintenance of facilities used for telecommunications services. As may be required by the Commission, Knology commits to isolate telecommunications service costs – to the extent they are separable – and demonstrate that only direct telecommunications costs or appropriately documented shared costs of facilities used for telecommunications services are being supported by federal universal service funds.

27. The designation of Knology as an ETC in the designated non-rural areas will have little impact on the overall federal universal service fund.
28. As a competitive local exchange carrier, Knology commits to meeting and exceeding the Commission's quality of service requirements.
29. Knology is currently improving its infrastructure to serve customers in the designated service areas within a reasonable time frame. It is currently Knology's plan to provide service in the designated wire centers in a reasonable time frame with its own facilities.
30. In sum, even if the Commission were to impose a public interest test on the instant Petition, Knology would satisfy the standards promulgated by the FCC in its *Virginia Cellular* decision.<sup>8</sup>

V. Summary

31. Knology respectfully petitions the Commission to GRANT its petition for designation as an eligible telecommunications carrier as described above.

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<sup>8</sup> See *Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, Memorandum Opinion and Order*, CC Docket No. 96-45, FCC 03-338 (rel. January 22, 2004).

Respectfully submitted this 12<sup>th</sup> day of November, 2004.

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## Exhibit A

### ***Panama City, FL***

Bay County, FL  
Cedar Grove, FL  
Callaway, FL  
Lynn Haven, FL  
Panama City, FL  
Parker, FL  
Panama City Beach, FL

### ***Pinellas County, FL***

Clearwater, FL  
Dunedin, FL  
Largo, FL  
Oldsmar, FL  
Safety Harbor, FL  
Seminole, FL  
St Petersburg, FL  
Tarpon Springs, FL





