

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by residents of  
Ft. White requesting extended  
area service between Ft. White  
exchange in Columbia County and  
Gainesville exchange in Alachua  
County.

DOCKET NO. 971627-TL  
ORDER NO. PSC-99-1362-FOF-TL  
ISSUED: July 15, 1999

The following Commissioners participated in the disposition of  
this matter:

J. TERRY DEASON  
E. LEON JACOBS, JR.

FINAL ORDER REQUIRING IMPLEMENTATION  
OF EXTENDED AREA SERVICE

BY THE COMMISSION:

On September 17, 1997, the residents of the Fort White exchange filed a petition with us asking that extended area service (EAS) be implemented between the Fort White and Gainesville exchanges. The Fort White/Gainesville route is an interLATA route served by two local exchange companies (LECs), ALLTEL Florida, Inc. (ALLTEL) and BellSouth Telecommunications, Inc. (BellSouth). ALLTEL serves the Fort White exchange, which is located in the Jacksonville Local Access Transport Area (LATA) and covers approximately sixty-five (65) square miles in the southwestern portion of Columbia County. BellSouth serves the Gainesville exchange, which is located in the Gainesville LATA in the central portion of Alachua County. ALLTEL is subject to rate-of-return regulation, pursuant to Chapter 364.052(2), Florida Statutes, while BellSouth has elected to be price regulated, in accordance with Section 364.051(1)(a), Florida Statutes.

Pursuant to Rule 25-4.060(3)(a), Florida Administrative Code, a preliminary showing of a sufficient community of interest to require EAS may be made if there is a calling rate of at least three Messages per Access Line per Month (M/A/Ms) in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is sought. This rule

DOCUMENT NUMBER-DATE

08432 JUL 15 99

FPSC-RECORDS/REPORTING

ORDER NO. PSC-99-1362-FOF-TL  
DOCKET NO. 971627-TL  
PAGE 2

further requires that at least 50% of the subscribers in the petitioning exchange make two or more calls per month to the larger exchange to qualify for traditional EAS. This rule is applicable to the Fort White/Gainesville route, because the Fort White exchange has 1,630 access lines, which is less than half of the 128,559 access lines in the Gainesville exchange. Therefore, in order to obtain information regarding the calling rate between these exchanges, we ordered ALLTEL to conduct one-way traffic studies from the Fort White exchange to the Gainesville exchange by Order No. PSC-98-0098-FOF-TL, issued on January 15, 1998. We no longer have the authority to require BellSouth to conduct traffic studies, because it is a price regulated local exchange company (LEC).

ALLTEL indicated, however, that it did not have the calling data required by Rule 25-4.060(3)(a), Florida Administrative Code. ALLTEL was able to determine the M/A/M information by using Carrier Access Billing System (CABS) billing data for certain interexchange companies, but did not have the data needed to complete the distribution criteria. The calling rate on the Fort White/Gainesville route exceeded the three or more M/A/M rule requirement. We were, however, unable to determine whether the route met the requirements of Rule 25-4.060(3)(a), Florida Administrative Code, without the distribution criteria data. Thus, by Order No. PSC-98-0950-FOF-TL, issued July 14, 1998, we set this matter for hearing so that we could obtain additional information to assist us in deciding whether the Fort White customers should be surveyed for non-optional, two-way, flat-rate EAS.

We note that the Federal Communications Commission (FCC) issued Order 97-244, on July 15, 1997. By this Order, the FCC allowed certain Bell Operating Companies (BOCs) to serve interLATA routes to provide non-optional, flat-rate local calling service only in cases where states found that the routes met specific qualifying factors. This is particularly relevant to the case before us, because the route at issue is an interLATA route. The FCC's Order indicates that the FCC will continue to consider requests for waiver of LATA boundaries in order to allow the provision of flat-rate, non-optional local calling service when a Bell Operating Company (BOC), such as BellSouth, is involved. Based on the FCC's Order, we determined that it was important to hold a hearing in this case to allow the affected subscribers an opportunity to provide additional community of interest criteria to us so that we could determine whether the Fort White customers should be balloted for EAS to Gainesville.

The customer and technical hearings were conducted on January 11, 1999, in Fort White, Florida. By Order No. PSC-99-0593-FOF-TL, issued on April 1, 1999, we required ALLTEL to survey the customers in the Fort White exchange in accordance with Rule 25-4.063, Florida Administrative Code, to determine whether the customers were in favor of implementing EAS. We based our decision on the evidence presented at the hearings and the FCC's apparent willingness to continue to consider requests for modification of LATA boundaries to allow BOCs to provide expanded local calling.

The survey results, summarized in Table A, met the requirements of Rule 25-4.063(6), Florida Administrative Code, which specify that at least 40% of all ballots mailed must be returned, and a majority of all respondents in the exchange most vote in favor of the proposal. ALLTEL mailed 1,732 ballots to all customers of record in the Fort White exchange. The results of the survey are shown on Table A:

**TABLE A**

<b>SURVEY RESULTS</b>			
	<b><u>NUMBER</u></b>	<b><u>PERCENT OF TOTAL MAILED</u></b>	<b><u>PERCENT OF TOTAL RETURNED</u></b>
Ballots Mailed	1,732	100.00%	
Ballots Returned	805	46.48%*	
For EAS	600	34.64%	74.53%**
Against EAS	202	11.66%	25.09%
Invalid	3	<0.01%	<0.01%

\* Rule 25-4.063, Florida Administrative Code, requires 40% of the ballots mailed must be returned.

\*\* Rule 25-4.063, Florida Administrative Code, requires a majority (>50%) of the ballots returned must vote favorably. The 40% requirement must be met regardless of the majority vote.

Based on the results of the survey, ALLTEL and BellSouth shall be required to implement non-optional, two-way, flat-rate EAS between the Fort White and Gainesville exchanges at the rates indicated in Order No. PSC-99-0593-FOF-TL and listed below in Table B.

**TABLE B**

<b>PROPOSED RATES AS BALLOTTED</b>					
	<b>PRESENT RATE</b>	<b>25/25 ADDITIVE</b>	<b>RE-GROUP ADDITIVE</b>	<b>TOTAL OF ADDITIVES</b>	<b>NEW RATE</b>
R-1	\$ 9.95	\$ 2.29	\$ 0.00	\$ 2.29	\$12.24
B-1	\$24.70	\$ 6.23	\$ 0.00	\$ 6.23	\$30.93
PBX	\$47.20	\$10.58	\$ 0.00	\$10.58	\$57.78

We note that in order to provide expanded local calling service on the Fort White/Gainesville route, BellSouth must apply to the FCC for a waiver to modify the LATA boundary. We shall, therefore, require BellSouth to petition the FCC as expeditiously as possible for a waiver to allow BellSouth to provide EAS on this route.

EAS shall be implemented on the Fort White/Gainesville route upon the FCC's approval of BellSouth's petition for a waiver of the LATA boundary. If the FCC approves BellSouth's petition for waiver, EAS shall be implemented no later than twelve months from the date of the FCC's approval of the waiver. We direct our staff to place this docket on monitor status to ensure that BellSouth and ALLTEL make the necessary tariff revisions to comply with the implementation requirement.

Finally, we acknowledge BellSouth's concerns about cost recovery for implementing toll relief on this route. We believe that this concern may be addressed in the context of Docket No. 970808-TL, Petition of BellSouth Telecommunications, Inc. to Remove InterLATA Access Subsidy Received by St. Joseph Telephone & Telegraph Company (GTC, Inc.). Any offset that may occur is, however, dependent upon the outcome of the ongoing appeal of the Commission's final order in Docket No. 970808-TL.

ORDER NO. PSC-99-1362-FOF-TL  
DOCKET NO. 971627-TL  
PAGE 5

Based on the foregoing, it is therefore

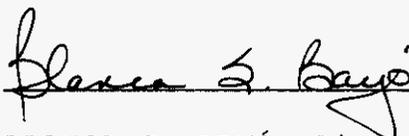
ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc. shall expeditiously seek a waiver of the LATA boundary from the Federal Communications Commission to allow it to provide extended area service on the Fort White/Gainesville route. It is further

ORDERED that if the Federal Communications Commission grants BellSouth Telecommunications, Inc.'s request for a waiver of the LATA boundary, then non-optional, flat-rate extended area service shall be implemented at the rates set forth in the body of this Order on the Fort White/Gainesville route as soon as possible, but not to exceed twelve months from the date the Federal Communications Commission grants the waiver. It is further

ORDERED that this Docket shall be monitored to ensure that BellSouth Telecommunications, Inc. and ALLTEL Florida, Inc. submit the necessary tariff revisions to comply with the required implementation date. It is further

ORDERED that upon submission of the required tariff revisions, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 15th day of July, 1999.



\_\_\_\_\_  
BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

BK

ORDER NO. PSC-99-1362-FOF-TL  
DOCKET NO. 971627-TL  
PAGE 6

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.