

Voice | Data | Internet | Wireless | Entertainment

VIA ELECTRONIC MAIL

March 22, 2007

Ms. Ann Cole
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 060581-TP

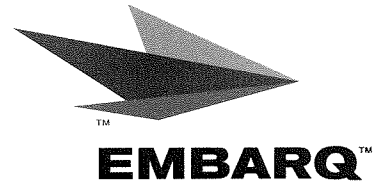
Dear Ms. Cole:

In accordance with section 350.042(4), Florida Statutes, and Rule 25-22.033(4), Florida Administrative Code, Embarq submits the following response to the letter from Beth Keating to Patrick Wiggins and Beth Salak and the letter from Representative Curtis Richardson to the Commissioner's Offices filed on March 12, 2007, in this docket.¹

In the letters, Alltel urges the Commission to consider Alltel's Petition for ETC status because it will increase Lifeline subscribership and improve the state's take rate for these services. However, the Commission's own report on the status of Lifeline participation in the state (*Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, Prepared by the Florida Public Service Commission, December 2006) belies Alltel's representations about the benefits to potential Lifeline customers from granting its application. The report summarizes the Lifeline subscribership of the three Florida wireless carriers who have been granted ETC status in parts of Florida to date (including Alltel), as follows:

Among the state's three wireless ETCs, Lifeline participation falls substantially below the 12.7 percent rate for telecommunications customers in Florida in general. According to responses filed by Sprint PCS, Nextel Partners, and ALLTEL, these three companies reported a total of 59 Lifeline subscribers, yet these three wireless ETCs have received over \$8.6 million in high-cost Universal Funds so far in 2006 as a result of being granted ETC status in Florida by the FCC. (at page 16)

¹ Embarq was never served with a copy of these letters, as required by the Commission's Order Granting Intervention, Order No. PSC-07-0020-PCO-TP (which states: "all parties to this proceeding shall furnish copies of all testimony, exhibits, pleadings and other documents which may hereinafter be filed in this proceeding" to Embarq's counsel). Rather, Embarq became aware of the filing through a routine review of the docket filings on the Commission's website. Nevertheless, in an abundance of caution, Embarq is filing this response within 10 days of the date of the filing in accordance with s. 350.042(4), F.S.



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As the report clearly shows, granting ETC status to wireless carriers has done virtually nothing to improve Lifeline participation rates, but has done much to increase the economic benefit to these wireless carriers through their receipt of dollars from the federal universal service high-cost funds.

Ms. Keating also claims that Alltel's petition will benefit rural consumers by providing access to additional services comparable to the services available to urban consumers. However, it is important to consider this claim in light of two relevant facts. First, even if Alltel receives universal service dollars it is under *no* obligation to use those funds to expand its coverage into rural areas that it currently does not serve. Second, if Alltel receives universal service dollars there is no prohibition on Alltel using those dollars in the more *urban* portions of its (proposed) designated service area, rather than rural areas.

Embarq urges a careful look at the true impact of Alltel's request for ETC status on Florida's consumers and on universal service goals and funding. Embarq intends to participate fully as Alltel's Petition moves forward to ensure that the Commission has a complete record on which to base its decision.

Sincerely,



Susan S. Masterton

cc (via electronic and U.S. Mail): Patrick Wiggins, FPSC
Adam Teitzman, FPSC
Beth Salak, FPSC
Bob Casey, FPSC
Beth Keating, Akerman Senterfitt
Steve Rowell, Alltel