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DIVISION OF REGULATORY COMPLIANCE  
BETH W. SALAK  
DIRECTOR  
(850) 413-6600

Public Service Commission

December 4, 2008

Ms. Juliana C. Janson  
Government & External Affairs  
Frontier Communications of the South, LLC  
180 South Clinton Avenue  
5th Floor  
Rochester, NY 14646

RECEIVED-FPSC  
08 DEC -4 AM 10: 21  
COMMISSION  
CLERK

**Re: Docket No. 080680-TL, Notice of Election of Price Regulation**

Dear Ms. Janson:

In response to your notice dated November 13, 2008, staff is not aware of any competitive local exchange company providing basic local telecommunications service in Frontier's territory. I refer you to a letter dated August 20, 2007 (enclosed), from Gregg C. Sayre, Frontier's Associate General Counsel, Eastern Region, in which he states that Bright House is not providing basic local service in your company's territory.

Section 364.02(1), Florida Statutes, defines basic local telecommunications service in part as "voice-grade, flat-rate residential, and flat-rate single-line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing, and access to the following: emergency services such as '911,' all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. . . ."

In reviewing the Bright House website referenced in Frontier's 2007 letter, staff can only find packaged or bundled local service offerings in Florida, not basic local telecommunications service as defined by statute. By January 12, 2009, I would appreciate a reply providing staff with detailed information that basic local telecommunications service is being provided in Frontier's territory by a competitive local telecommunications company thereby triggering the end of rate of return regulation in accordance with Section 364.052(2), Florida Statutes.

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If you have any questions regarding this request, please contact Nancy Pruitt at (850) 413-6127 or via e-mail at [npruitt@psc.state.fl.us](mailto:npruitt@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Beth W. Salak". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Beth W. Salak  
Director, Regulatory Compliance

Enclosure

cc: ✓ Ann Cole  
Lee Eng Tan  
Laura King  
Nancy Pruitt



www.FrontierOnline.com

Legal Department  
180 South Clinton Avenue  
Rochester, NY 14646-0700

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Fax: 585.263.9986  
gregg.sayre@frontiercorp.com

August 20, 2007

Ms. Beth W. Salak  
Director, Competitive Markets & Enforcement  
State of Florida  
Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

2007 AUG 24 PM 2:09  
DIVISION OF  
COMPETITIVE SERVICES

**Re: Frontier's Form of Regulation in Florida**

Dear Ms. Salak:

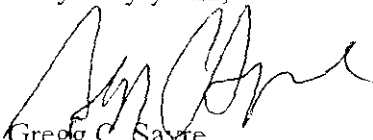
In response to your letter of July 20, 2007, Frontier Communications of the South, LLC ("Frontier") continues to believe that its operative form of regulation is still rate base, rate of return regulation for the following reasons:

1. Frontier is only aware of one competitive provider of dial tone service in its operating territory. That provider is Bright House Networks, and it is providing dial tone service in only a portion of one of Frontier's exchanges, the Molino exchange. Frontier is not aware of any competitive entry in its Walnut Hill or other exchanges.
2. In the Molino exchange, Bright House is not acting as a CLEC. It is providing residential Voice over Internet Protocol (VoIP) service through its cable TV facilities on an unregulated basis. Bright House refers to its service as "Digital Phone." Bright House's web site confirms that the service is VoIP by noting that it is not "line powered" and that subscribers may move the service to a different address by relocating a modem, thus necessitating a warning that 911 calls may be misdirected in such a case. See [http://panhandle.mybriighthouse.com/customer\\_care/product\\_FAQs/phone.aspx#e911](http://panhandle.mybriighthouse.com/customer_care/product_FAQs/phone.aspx#e911) (question 53) and [http://panhandle.mybriighthouse.com/products\\_and\\_pricing/digital\\_phone/e911.aspx](http://panhandle.mybriighthouse.com/products_and_pricing/digital_phone/e911.aspx). These are technical hallmarks of VoIP service.
3. The FCC's preemption of state regulation of VoIP service has been affirmed in the Federal courts. *Minn. PUC v. FCC*, 483 F.3d 570 (8th Cir. 2007).

4. Bright House's CLEC tariffs on file with the Commission do not appear to cover its VoIP service in Molino. See <http://www.psc.state.fl.us/utilities/telecomm/tariffs/tariffResults.aspx?comcode=TX631>
5. Section 364.052(2), Florida Statutes, triggers the end of rate of return regulation only when "a certificated competitive local exchange carrier provides basic local telecommunications service in the company's territory." In Frontier's territory, Bright House is not acting as a certificated competitive local exchange carrier, nor is it providing a basic local telecommunication service. Instead, as an unregulated cable TV company it is providing an interstate service, as found by the FCC and affirmed by the 8th Circuit case cited above.

Accordingly, it is Frontier's position that Section 364.052(2) has not been triggered and that Frontier remains under rate base, rate of return regulation.

Very truly yours,



Gregg C. Sayre  
Associate General Counsel -  
Eastern Region

GCS/hmj