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PUBLIC SERVICE COMMISSION

September 6, 2000

VIA ELECTRONIC FILING

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW - TW-A325
Washington, DC 20554

Re: CC Docket No. 96-45, Federal-State Joint Board on Universal Service;
Updating Line Count Data

Dear Ms. Salas:

Forwarded herewith are Reply Comments of the Florida Public Service Commission
in the above-noted docket.

Sincerely,

/s/

Cynthia B. Miller, Esquire
Bureau of Intergovernmental Liaison

CBM:tf

Attachment

cc: Brad Ramsay, National Association of Regulatory Utility Commissioners

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matters of)
)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service)
)
Updating Line Count Data)
_____)

**Florida Public Service Commission
Reply Comments to Public Notice on Updating Line Counts
for Calculating High-Cost Universal Service Support for 2001**

On August 10, 2000, the Federal Communications Commission (FCC) issued a Public Notice extending the comment and reply comment dates regarding updating line count data for calculating high-cost universal service support for non-rural carriers for the year 2001. Our comments concern whether the FCC should update this line count data and how these lines should be allocated by class of service. In general, the Florida Public Service Commission (FPSC) agrees with the comments of AT&T, Qwest, and MCI that line counts used in the FCC's synthesis model should be updated to reflect the most current data available. Using such data would capture changes in the economies of scale within the network, and thus more accurately reflect companies' costs. The FPSC respectfully submits its reply comments in this Public Notice.

I. Background

There are two stages to computing universal service support. In the first stage, a forward-looking model is used to calculate basic local service costs and the average amount of universal service support that each carrier requires per line. In the second stage, the per-line support figure is multiplied by the

number of eligible lines provided by the eligible carrier. A disconnect between these two stages arises because the forward-looking model uses 1998 line count data to compute average per-line support levels for eligible carriers. These average support levels are then applied to more recent line counts reported quarterly to the Universal Service Administration Company (USAC).

II. Updating Line Counts

This public notice acknowledges that continued use of older line count data in the model to compute per-line costs, while using newer line counts to compute total support and distribution, will result in an ever-increasing fund size. However this increase is not necessary to ensure universal service. The FPSC believes that such a result would be contrary to the intent of the Telecommunications Act of 1996 (the Act). Section 254(b)(5) of the Act states that there should be specific, predictable, and sufficient Federal and State mechanisms to preserve and advance universal service. By enacting a methodology that does not update line counts on a timely basis, the FCC will create a mechanism that is excessively costly.

While the FPSC generally agrees with the aforementioned commenters that the line count data should be updated, this Commission does not agree with some of the extended conclusions.

Specifically, the FPSC does not agree with Qwest that updating the line count data for cost calculations should only be completed if the FCC is also willing to update customer location data. Conceptually, this Commission agrees that it would be desirable to update customer location information, but as noted within Qwest's own comments, this ". . . is not a simple

process."¹ In addition, more current line count data will be used in the support and distribution process whether or not the customer location data is updated. Consequently, the FPSC does not support Qwest's position of updating both the line count and customer location data, or updating nothing.

III. Class of Service

The FCC also sought comment on how these updated line counts should be allocated to the classes of service used in the FCC's synthesis model. The synthesis model uses service classification (i.e., business line, residential line, special access line (non-switched), pay phone line, or single business line), in establishing average per-line costs. However, the wire center line count data that was filed does not include classes of service information on a wire center basis.

AT&T's primary suggestion is that the FCC should direct the incumbent local exchange companies (ILECs) to file the information necessary to allocate the line count data to the classes of services used in the cost model. However, BellSouth notes that they consider this information to be proprietary and confidential. BellSouth also notes that requiring only ILECs to make this information publicly available would put all ILECs at a competitive disadvantage when compared to alternative providers who are not required to disclose such information. This Commission has asked for similar information from ILECs within

¹Comments of Qwest Corporation to FCC Public Notice on Updating Line Count for Calculating High-Cost Universal Service Support for Non-Rural Carriers for the 2001, DA 00-1626, CC Docket No. 96-45, page 6.

our jurisdiction and have honored requests of confidentiality when asked by the provider.

As an alternative, AT&T suggests that proportion of lines in each class of service that was gathered in a previous data request be applied to this newer data. MCI and Qwest have made the same proposal. The FPSC agrees that this is a reasonable assumption if the FCC finds that this information should be treated as proprietary and cannot be used in a publicly open synthesis model.

IV. Conclusion

In conclusion, the FPSC supports the use of more current line count data for calculating high-cost universal service support for non-rural carriers for the year 2001. If this information is not updated on a timely basis, the Universal Service Support mechanism will be excessively costly. With regard to class of service delineation of the line count data, the FPSC finds that it would be reasonable to use the information contained in previously filed data (which does allocate lines among the class of service), and use these historical ratios if the FCC finds that class of service information is proprietary.

Respectfully submitted,

/s/

Cynthia B. Miller, Esq.
Bureau of Intergovernmental Liaison

FLORIDA PUBLIC SERVICE COMMISSION
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Dated: September 6, 2000.

Certificate of Service

I HEREBY CERTIFY that a true and correct copy of the foregoing Comments of the Florida Public Service Commission will be furnished to the parties on the attached list.

/s/

Cynthia B. Miller, Esq.
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DATED: September 6, 2000

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