

DOCKET FILE COPY ORIGINAL

RECEIVED & INSPECTED



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 991
MONTGOMERY, ALABAMA 36101-0991

SEP 30 2002

FCC - MAILROOM

September 25, 2002

JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: CC Docket No. 96-45 - U.S.F. Certification of Alabama's Rural and
Non-Rural Carriers

Dear Ms. Dortch:

Pursuant to the requirements of 47 C.F.R. §54.313, the Alabama Public Service Commission (the "APSC") hereby certifies to the Federal Communications Commission (the "Commission") that all federal high-cost universal service funds flowing to Alabama Non-Rural local exchange carriers BellSouth Telecommunications, Inc. (BellSouth) and CenturyTel of Alabama, L.L.C. ("CenturyTel") for the year commencing January 1, 2003, and ending December 31, 2003, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), BellSouth and CenturyTel will only utilize the federal high-cost support for which they are eligible in the year 2002 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

The APSC also certifies that pursuant to the requirements of 47 C.F.R. §54.314, all of the federal universal service funding flowing to Alabama's Rural Carriers¹ for the year commencing January 1, 2003, and ending December 31, 2003, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), Alabama's Rural Carriers will only utilize the federal support for which they are eligible in the year 2003 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

¹ Alabama's Rural Carriers herein certified are: ALLTEL Alabama, Inc. (250302); Ardmore Telephone Company, Inc. (254000); Blountsville Telephone Company, Inc. (250282); Brindlee Mountain Telephone Company (250283); Butler Telephone Company, Inc. (250284); Castleberry Telephone Company, Inc. (250285); Farmers Telephone Cooperative, Inc. (250290); Frontier Communications of Alabama, Inc. (250306); Frontier Communications of Lamar County, Inc. (250301); Frontier Communications of the South, Inc. (250318); Graceba Telephone Company, Inc. (250295); GTC, Inc., d/b/a GT Com (250294); Gulf Telephone Company, Inc. (250298); Hayneville Telephone Company, Inc. (250299); Hopper Telecommunications, Inc. (250300); Interstate Telephone Company, Inc. (250371); Millry Telephone Company, Inc. (250304); Mon-Cre Telephone Cooperative, Inc. (250305); Moundville Telephone Company, Inc. (250307); National Telephone Company, Inc. (250286); New Hope Telephone Cooperative, Inc. (250308); Oakman Telephone Company (250311); Otelco Telephone, LLC (250312); Peoples Telephone Company (250314); Pine Belt Telephone Company, Inc. (250315); Ragland Telephone Company, Inc. (250316); Roanoke Telephone Company, Inc. (250317); Union Springs Telephone Company, Inc. (250322); and Valley Telephone Company, Inc. (250324).

No. of Copies rec'd 0
List ABCDE

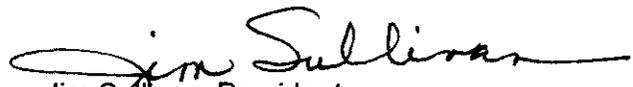
Ms. Marlene H. Dortch
Federal Communications Commission
September 25, 2002
Page Two

The representations and certifications herein provided are largely the product of informal proceedings conducted before the APSC in Docket 25980. A copy of the APSC's Order approving and certifying the proposals of BellSouth, CenturyTel, and Alabama's Rural Carriers regarding their intended utilization of the federal high-cost universal service support for which they are eligible in the year 2003 is enclosed herein.

The APSC thanks the Commission for its diligence and cooperation in this matter. Please be advised that a copy of this notice is simultaneously being forwarded to the Universal Service Administrative Company. Please date stamp the extra copy of this filing and return it to the APSC in the enclosed, stamped, self-addressed envelope.

Sincerely,

ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

JS/JC/GCWjr:klr
Enclosure
By FedEx Priority Overnight
c: Irene Flannery
Universal Service Administrative Company
2120 L Street, NW, Suite 600
Washington, D.C. 20037



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 991
MONTGOMERY, ALABAMA 36101-0991

RECEIVED & INSPECTED

SEP 30 2002

FCC - MAILROOM

JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

IN RE: IMPLEMENTATION OF THE
UNIVERSAL SERVICE REQUIREMENTS OF
SECTION 254 OF THE
TELECOMMUNICATIONS ACT OF 1996.

DOCKET 25980

(CERTIFICATION OF CARRIERS
RECEIVING FEDERAL UNIVERSAL
SERVICE SUPPORT)

FURTHER REPORT AND ORDER

BY THE COMMISSION:

I. Introduction and Background

By Order entered in this cause on September 21, 2001, all local exchange carriers in Alabama were ordered to file no later than May 3, 2002, their proposals for the utilization of all federal high-cost universal support for which they will be eligible in the year 2003. Said Order afforded interested parties the latitude to submit comments in response to those filings no later than May 24, 2002 with any reply comments due on or before June 14, 2002.

By filing of May 3, 2002, BellSouth Telecommunications, Inc. ("BellSouth") submitted its proposal for the utilization of the federal high-cost universal service support for which it will be eligible in the year 2003. On August 20, 2002 CenturyTel of Alabama, LLC ("CenturyTel") submitted its proposal for the expenditure of the 2003 federal high-cost universal service support it anticipates receiving.¹ On or about August 28, 2002, the Rural Carriers (the "Rural LECs") identified individually in Appendix "A" hereto submitted certifications regarding their expenditure of the federal high-cost universal service support they anticipate receiving in 2003.

¹ CenturyTel purchased the Alabama operations of Verizon South, Inc., f/k/a GTE South, Incorporated and Contel of the South, Inc., d/b/a Verizon Midstates (collectively "Verizon").

DOCKET 25980 - #2

II. The 2003 Plan of BellSouth

BellSouth premised its May 3, 2002, proposal to the Commission on the assumption that it would receive federal high-cost universal service support approximating \$26.9 million for the year 2003. BellSouth indicated that its proposal for 2003 reflected an expenditure of \$24.1 million for network improvements with the remaining \$2.8 million being applied to fund the annual value of the access charge reduction ordered in the Commission's March 24, 2000, Order in this cause. The Commission did not receive any comments in opposition to BellSouth's filing.

BellSouth's proposal for the year 2003 is attached hereto as Appendix "B". A summary of the major elements of BellSouth's filing are set forth below:

- Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design: 2003 - \$16.3 Million
- Replace Non-Compliant Switches DMS10s & DCOs: 2003 - \$4.3 Million
- Complete Self-Healing Interoffice Diversity: 2003 - \$2 Million
- Improve Testability, Surveillance and Replace Technology that Limits Service Delivery: 2003 - \$1.5 Million

The Commission staff reviewed the 2003 expenditure plan submitted by BellSouth and found that with one minor amendment, the federal high-cost universal service expenditures proposed therein by BellSouth should be certified as compliant with §254(e) of the Telecommunications Act of 1996.² The amendment recommended by the staff would require BellSouth to utilize up to \$600,000 of the \$16.3 Million dollars it proposes to expend during 2003 to deploy loop fiber and next generation digital loop carrier to implement CSA design on the provision of basic local exchange telecommunications service to end users who have made application for service but have been unable to obtain service due to economic inefficiency and/or prohibitive aid to construction amounts.³

In order to implement its recommended amendment to BellSouth's 2003 expenditure plan, the staff recommended that the federal high-cost universal service funding made available to provide basic

² Pub. L. No. 104-104, 110 Stat. 56 codified at 47 U.S.C. §151 *et seq.* (hereinafter the "Act"). Cites to sections of the Act are accordingly cites to 47 U.S.C.

³ We note that the applicants in question need not be served by wire centers designated as "high cost" in order to be eligible for the support in question.

SEP 30 2002

FCC - MAILROOM

local exchange service to the unserved customers discussed above should be available for the provision of such service at primary dwellings only up to an initial maximum of \$25,000 per applicant. Construction projects with a cost of \$25,000 or less per applicant shall be funded first. Any funds from the Commission approved allocation remaining after application of the preceding guidelines will be prioritized for the provision of basic service as follows:

- (a) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (b) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.
- (c) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$600,000 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (d) In the event that all eligible applications are in progress by October 1, 2003, any of the \$600,000 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall be expended by BellSouth on the deployment of loop fiber and next generation digital loop carrier to implement CSA design. BellSouth should accordingly endeavor to complete all pending, eligible applications on or before October 1, 2003.

For any projects involving the provision of basic local exchange telecommunications service to the above-described customers wherein the costs of providing such service exceed the allocated resources described in the preceding paragraph, the additional capital required to complete the project in question shall be the responsibility of the applicant for service. Applicants for service shall be afforded the opportunity to make a contribution in aid to construction, and the amounts due from such applicants must be received by BellSouth prior to the company's commencement of the construction project in question. The staff recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges for the initiation of service to the affected customers or tariffed recurring charges for the continued provision of such service.

The staff further recommended that BellSouth be required to provide a list of its held service applications along with the reports BellSouth is already required to file within thirty (30) days of the close of each calendar quarter. Said reports shall detail the status of each held service application.

SEP 3 0 2002

FCC-MAILROOM

DOCKET 25980 - #4

III. The CenturyTel Proposal for 2003

In its August 20, 2002 filing, CenturyTel indicated that it anticipated the receipt of \$9,854,371 in federal universal service high-cost funds above and beyond the \$7,749,629 embedded in CenturyTel's existing rate structure in Alabama.⁴ No party filed comments in opposition to CenturyTel's proposal for 2003 which is attached hereto as Appendix "C". A summary of the major elements of CenturyTel's filing are set forth below:

- Replace Obsolete Remotes: 2003 - \$4,722,500
- Replace Buried Air Core Cable: 2003 - \$1,735,000
- Fiber to Remotes: 2003 - \$1,188,000
- Service Improvements (Replacement of Pressurized Cable in Scottsboro Exchange): 2003 - \$1,000,000
- Replace Analog Carrier: 2003 - \$1,052,000
- High-Cost Applicants: 2003 - \$156,371

The Commission staff determined from its review of CenturyTel's August 20, 2002, filing that CenturyTel's proposals for the expenditure of federal high-cost universal service support for 2003 should be approved with one limited amendment. In particular, the staff proposed that \$93,629 of the \$1,000,000 which CenturyTel proposed for service improvements in the Scottsboro exchange be specifically made available for the provision of basic local exchange telecommunications service to end users who have applied for service but have been unable to attain such service due to economic inefficiency and/or prohibitive aid to construction amounts.⁵ The \$93,629 in question would be added to the \$156,371 which CenturyTel proposed to make available for high-cost applicants for a total of \$250,000.

The staff recommended that the federal high-cost universal service funding made available to provide basic local exchange service to unserved customers as discussed above should be available for the provision of such service at primary dwellings only up to an initial maximum of \$25,000 per applicant. Construction projects with a cost of \$25,000 or less per applicant shall be funded first. Any funds from the

⁴ CenturyTel utilized the actual 2002 Federal High-Cost Support amounts in its estimate for the 2003 plan submitted. CenturyTel noted that once it received final numbers from the FCC, it would accordingly modify its plan.

SEP 3 0 2002

FCC - MAILROOM

DOCKET 25980 - #5

Commission approved allocation remaining after application of the preceding guidelines will be prioritized for the provision of basic local service as follows:

- (a) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (b) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.
- (c) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$250,000 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (d) In the event that all eligible applications are in progress by October 1, 2003, any of the \$250,000 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall be expended by CenturyTel on the project to replace pressurized cable in the Scottsboro exchange. CenturyTel should accordingly endeavor to complete all pending eligible applications on or before October 1, 2003.

For any projects involving the provision of basic local exchange telecommunications service to the above-described customers wherein the costs exceed the allocated resources described in the preceding paragraph, the additional capital required to complete the project in question shall be the responsibility of the applicant for service. Applicants for service shall be afforded the opportunity to make a contribution in aid to construction, and the amounts due from such applicants must be received by CenturyTel prior to the company's commencement of the construction project in question. The staff recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges for the initiation of service to the affected customers or tariffed recurring charges for the continued provision of such service.

The staff further recommended that CenturyTel be required to submit within thirty (30) days of the effective date of this Order a current list of all CenturyTel customers who have made application for basic local service but have been unable to receive it due to economic inefficiency and/or prohibitive aid to construction amounts. The staff further recommended that CenturyTel be required to submit, within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved

⁵ We note that the applicants in question need not be served by wire centers designated as "high-cost" in order to be eligible for the support in question.

SEP 3 0 2002

FCC - MAILROOM

herein and the level of funding expended on such products. The staff suggested that CenturyTel include with those quarterly reports a list of CenturyTel's held service applications. The staff recommended that the status of each such application be reflected in the report submitted by CenturyTel.

IV. The Filings of the Rural Carriers

With regard to the Rural Carriers listed in Appendix "A" hereto, the Commission previously determined in its Order entered in this cause on December 20, 2001 that it could best meet its universal service monitoring and certification obligations of each Rural LEC "cost company" by requiring such companies to file with the Commission by January 15 of each year a copy of their supporting annual interstate cost separation studies, their annual USF-High-Cost loop support filings and, their estimated USF-local switching support filings that are made with the National Exchange Carriers Association ("NECA"). With respect to the Rural LECs that are "average schedule" companies, the Commission required such companies to file for review by January 15 of each year a copy of NECA's proposed annual USF-High-Cost loop support and USF-local switching support amounts. The certifications submitted by the Rural LECs listed in Appendix "A" hereto on or about August 28, 2003 reflect that each of those Rural LECs will in 2003 continue to utilize the high-cost universal service funding they receive in a manner compliant with the requirements of §254 of the Telecommunications Act of 1996. The Commission will continue to verify the certifications of the aforementioned Rural LECs through the filings they make with the Commission on or before January 15 of each year.

V. Discussion and Conclusions

We hereby adopt each of the recommendations of staff set forth herein and approve consistent therewith, the proposals submitted in this cause by BellSouth, CenturyTel and Alabama's Rural Carriers governing their expenditure of federal high-cost universal service support during the year 2003. We will certify to the FCC that those plans are compliant with the provisions of §254(e) of the Act.

We specifically note, however, that our approval herein is contingent upon the staff's continued monitoring of the implementation of the aforementioned plans. The Commission specifically reserves the right to conduct any proceedings that may be necessary to determine if the funding under review should be redirected to other qualifying projects as required by the Commission.

RECEIVED & INSPECTED
SEP 3 0 2002
FCC MAIL ROOM

DOCKET 25980 - #7

We further note that the \$.0025 terminating switched access charge reduction approved in our Order of March 24, 2000, in this cause is hereby carried forward for 2003. BellSouth has accordingly authorized to expend \$2.8 million of the federal high-cost universal support it is scheduled to receive in 2003 to support that continued reduction. We further find that in the event that intrastate switched access charges in Alabama are reduced in the context of the Commission's local competition proceedings in Joint Dockets 24499, 24472, 24030 and 23865 prior to the end of 2003 BellSouth will be allowed to reallocate to its infrastructure construction budgets approved herein all funds required to implement the \$.0025 terminating switched access charge reduction which is carried forward by this Order. We find such a result to be consistent with the public interest, convenience and necessity.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the May 3, 2002, proposal of BellSouth Telecommunications, Inc. delineating the company's intended utilization of the federal high-cost universal service support for which it is eligible during the year 2003 is hereby approved as modified herein and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the August 20, 2002, proposal of CenturyTel of Alabama, LLC which delineates the company's intended utilization of the forward-looking federal high-cost universal service support for which it is eligible during 2003 is hereby approved as amended herein and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the proposals/statements of Alabama's Rural Carriers collectively attached hereto as Appendix "D" are hereby approved and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the approval and certifications addressed herein shall be contingent upon satisfactory results from the Commission's ongoing review of the project specific expenditures of BellSouth, CenturyTel and each of Alabama's Rural Carriers. The Commission specifically reserves the right to conduct whatever proceedings may be deemed necessary to determine that the universal service funding received by BellSouth, CenturyTel and Alabama's Rural Carriers should be redirected by the Commission to other qualifying projects. To that end, BellSouth and

RECEIVED & INSPECTED
SEP 30 2002
FCC - MAILROOM

DOCKET 25980 - #8

CenturyTel shall submit to the Commission within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved herein and the level of funding expended on said projects. Said reports shall include a listing of each of the local service applications held by each company and their status. The Rural LECs shall continue to comply with the reporting requirements established in the Commission's December 20, 2001 Order entered in this cause.

IT IS FURTHER ORDERED BY THE COMMISSION, That BellSouth, CenturyTel and Alabama's Rural Carriers shall file their proposals for the utilization of the federal high-cost universal service support for which they are eligible in the year 2004 no later than May 2, 2003. Interested parties may submit comments in response to those filings no later than May 23, 2003. Reply comments will be considered by the Commission if received on or before June 13, 2003.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 25th day of September, 2002.

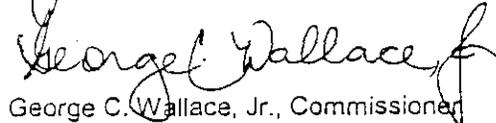
ALABAMA PUBLIC SERVICE COMMISSION



Jim Sullivan, President

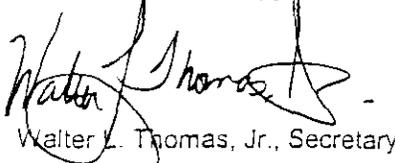


Jan Cook, Commissioner



George C. Wallace, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary

RECEIVED & INSPECTED
SEP 30 2002
FCC - MAILROOM

DOCKET 25980 - #9

APPENDIX "A"

ALLTEL Alabama, Inc. (250302)
Ardmore Telephone Company, Inc. (254000)
Blountsville Telephone Company, Inc. (250282)
Brindlee Mountain Telephone Company (250283)
Butler Telephone Company, Inc. (250284)
Castleberry Telephone Company, Inc. (250285)
Farmers Telephone Cooperative, Inc. (250290)
Frontier Communications of Alabama, Inc. (250306)
Frontier Communications of Lamar County, Inc. (250301)
Frontier Communications of the South, Inc. (250318)
Graceba Telephone Company, Inc. (250295)
GTC, Inc., d/b/a GT Com (250294)
Gulf Telephone Company, Inc. (250298)
Hayneville Telephone Company, Inc. (250299)
Hopper Telecommunications, Inc. (250300)
Interstate Telephone Company, Inc. (250371)
Millry Telephone Company, Inc. (250304)
Mon-Cre Telephone Cooperative, Inc. (250305)
Moundville Telephone Company, Inc. (250307)
National Telephone Company, Inc. (250286)
New Hope Telephone Cooperative, Inc. (250308)
Oakman Telephone Company (250311)
Otelco Telephone, LLC (250312)
Peoples Telephone Company (250314)
Pine Belt Telephone Company, Inc. (250315)
Ragland Telephone Company, Inc. (250316)
Roanoke Telephone Company, Inc. (250317)
Union Springs Telephone Company, Inc. (250322)
Valley Telephone Company, Inc. (250324)

SEP 30 2002

BellSouth Telecommunications, Inc.
Alabama Legal Department
3196 Highway 290 South
Room 364N
Birmingham, AL 35243

francis.semmes@bellsouth.com

Francis B. Semmes
General Counsel - AL
FCC - MAILROOM

205 972 2556
Fax 205 969 2285

May 3, 2002

VIA HAND DELIVERY

Walter Thomas, Secretary
ALABAMA PUBLIC SERVICE COMMISSION
RSA Union Building, 8th Floor
100 N. Union Street
Montgomery, AL 36104

Re: Docket No. ~~25980~~

Dear Mr. Thomas:

Pursuant to Commission Order dated September 27, 2000 in the above referenced docket, attached is BellSouth's proposal for the utilization of the federal high-cost universal service support for the year 2003. We anticipate that the support level will be equal to the \$26.9 million allocated for year 2002. The proposal reflects \$24.1 million for network improvements, with the remaining \$2.8 million used to fund the annual value of the access charge reduction made on July 1, 2000.

Sincerely,



Francis B. Semmes



FBS/mhs
Attachment

cc: Parties of Record

Exhibit A

Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design: 2003 - \$16.3M

The implementation of Carrier Serving Areas (CSAs) will provide improved service to the customer and will provide a means of delivering additional services and capabilities not available over a totally copper network.

The goal of the CSA concept is to sectionalize areas of a wire center beyond twelve thousand feet from the serving central office into discrete geographical units so those customers within the CSA can be provided digital services over an unrepeated facility by utilizing digital loop carrier.

Service improvements are obtained through the deployment of digital loop carrier in the CSA. Customers working over digital loop carrier facilities do not experience the transmission problems caused by metallic influences that are inherent of long copper facilities. Data transmission speeds are improved for services offered over digital loop carrier as opposed to long copper facilities.

BellSouth proposes to continue to deploy fiber and Next Generation Digital Loop Carrier (NGDLC) in the USF wire centers to implement the CSA architecture. The 2003 plan calls for spending \$16.3M on this item.

Replace Non-Compliant Switches DMS10s & DCOs: 2003 - \$4.3M

There are three Nortel DMS10 switches remaining in BellSouth's Alabama network. Replacement of these "non-compliant" switches with compliant digital switches/remotes will permit BellSouth to provide the full spectrum of digital services available today and those planned for the future to the rural areas served by BellSouth in Alabama. "Non-Compliant" means, in some cases, on the existing switches the vendor has not developed a capability on the switch, such as Advanced Intelligent Network (AIN) capability in the DMS10's. In other cases, "Non-Compliant" means there is a significant cost barrier to overcome in equipping the switch to provide a service. Nortel's evolution plan for the DMS10 requires a processor replacement along with other hardware upgrades to provide future digital services.

BellSouth proposes to complete the replacement of all of the non-compliant switches with digital remotes in 2003 at an estimated cost of \$4.3M. Replacement switches include the Lucent 5ESS family of remotes and the Nortel DMS100 family of remotes. These replacements will provide new services capabilities currently available in the larger wire centers and metropolitan areas (Per Use Feature Calling, ISDN, Message Waiting Indication Service, and Advanced Intelligent Network services) to the smaller wire centers in rural Alabama. The wire centers covered under this recommendation are:

Leighton
Parrish

Carbon Hill

Complete Self-Healing Interoffice Diversity: 2003 - \$2M

Four of the BellSouth wire centers impacted by the Federal Communication Commission's (FCC)'s Universal Service Order currently are connected to the rest of the BellSouth network via a single path. Customers in these wire centers would be isolated from the rest of the world when this single cable is cut. This cable carries not only voice, but also data about the customer addresses and emergency information used during an E911 call. Certain advanced signaling and switching features are also disabled during this cable failure.

BellSouth proposes to complete the deployment of a second, diverse fiber route from each wire center and Synchronous Optical Network (SONET) self-healing ring electronics to improve the reliability of the interoffice facilities. The wire centers included in this proposal are:

Linden	Ft. Mitchell
Thomasville	Ft. Deposit

Improve Testability, Timing, Surveillance & Replace Technology that Limits Service Delivery: 2003 - \$1.5M

BellSouth has put in place remote testing and surveillance systems to evaluate trouble reports or to verify available facilities for a new service before dispatching a technician. Several of the existing systems have been in place for ten or more years and the technology has high maintenance costs and is less accurate than systems available today. BellSouth has been replacing the older testing technology in some of the urban wire centers. BellSouth proposes to replace/upgrade testing and surveillance systems and add Performance Monitoring/Test Access systems in the USF wire centers in order to improve the Company's ability to monitor the network, to identify troubles earlier, and to analyze the trouble more completely. The result will be better service to the customers in the USF wire centers. A detail of the systems upgrades, replacements and additions are provided below.

Improve MLT Testability

Mechanized Loop Testing (MLT) system upgrades will enhance the ability of BellSouth to monitor, detect, and resolve customer service troubles. By employing these upgrades, the customer will experience better service due to improved reliability of trouble isolation and minimized false-dispatches. The end result is a reduction in the time required to clear a trouble; thus, the customer's service is restored more quickly. The MLT upgrades also provide expanded remote testing functionality, such as the ability to test ISDN lines, and the ability to detect potential problem areas using Automatic Line Insulation Test (ALIT), which helps to analyze and resolve problems even before they cause a customer service outage.

Replace Manufactured Discontinued Fiber Connectors

To further improve service to the rural high cost areas, BellSouth's plan calls for replacing all manufactured discontinued connector equipment on fiber optic cables in the USF supported wire centers. This type of connector is found throughout the state and the replacement of these connectors will permit quicker service provisioning and allow for faster service restoration in case of a fiber failure.

Deploy Central Office Maintenance and Documentation Interface Equipment

BellSouth has central offices in Alabama that are unmanned, and therefore, require that a technician be dispatched to perform on-site central office maintenance and provisioning functions. Through the deployment of central office maintenance and documentation (COMD) interface workstations, remote access to switch and circuit network elements is made available. By interconnecting the COMD workstations in each office of a host-remote cluster, a technician located in one office of the cluster then has the ability to remotely perform diagnostics, surveillance and provisioning in any office within that cluster. This remote access capability provides the potential to reduce response time, increase technician productivity, and reduce the duration of customer service outages.

Deploy Performance Monitoring and Test Access (PM/TA)

Performance monitoring can be considered pro-active maintenance. By monitoring the customer's circuit, degradations of circuit quality can be detected and corrected prior to total failure of the circuit. In the case of circuit failure, BellSouth can begin trouble isolation using the remote test access devices and possibly dispatch a repair technician as early as possible (at times prior to receiving a customer complaint). In order to provide improved performance monitoring and testing in the smaller USF wire centers, the BellSouth plan calls for deployment of DS1 PM/TA equipment.

Replace Manufactured Discontinued DS0 Test Access Equipment

There are 45 USF offices in Alabama equipped with Anritsu 9960 DS-0 test heads. The 9960 performed the same function as the SMAS RTS/RTP bays replaced on previous USF jobs. The 9960 was chosen for smaller offices because it costs less than the RTS/RTP bay. Anritsu began manufacturing the 9961 Metallic Access Test System (MATS plus) about 1992, manufacture discontinuing the 9960 shortly afterward. Replacement of the 9960 with either the 9961 or 9962 test head would improve test access speed (9600 baud vs. 1200 baud), improve spare plug in availability, and position USF offices for testing new services (Anritsu halted R & D for the 9960 when it was made MD).

Place Stratum 1 PRS (Primary Reference Source) to Increase Network Reliability

The synchronization network is used to provide a Stratum 1 traceable timing signal to each office in the state. Presently, we have PRS (Primary Reference Source) equipment, a Stratum 1 clock source, in many offices in metropolitan offices. There are some placed in the rural offices. A PRS is either a Cesium reference or a reference from the Global Positioning System (GPS). The timing signal is passed from the PRS offices to other offices in a timing chain. Each

office in the chain receives a timing signal and passes it on to the next office. The placing of Stratum 1 PRS will provide a stable clocking source for all equipment in the office. Placing a PRS in an office will eliminate or reduce the distribution chain of the clocking from one office to another. Since each office will have its own reference, problems with intervening clocks will not cascade from office to office.

Replace E2A Alarm Devices with ACT128 TCIP/IP Devices

Existing remote telemetry for serial and discrete alarms are provided using E2A alarm devices connected to the NMA (Network Management Administration) computer via 1200-baud multipoint circuits. Trouble isolation on multipoint circuits is costly since the problem leg must first be identified before a dispatch can be made for repair of the problem. The multipoint circuits are provisioned using MFT (Metallic Facility Terminal) and frame mounted resistive bridges, which are outdated technologies.

With the implementation of COWAN (Central Office Wide Area Network) in Alabama, connectivity between our central offices and operations systems, such as NMA, will be readily available. Comserve Solutions has developed a device that will interface an E2A formatted data signal with a TCP/IP communications device (router). The Comserve ACT128, when connected to the E2A remote devices in our offices with a master ACT128 at the NMA computer, will eliminate the need for multipoint circuits. The baud rate for the alarm device can also be increased to 9600 baud. It is expected that many of our USF offices will have COWAN additions in 2003. With USF resources, ACT128s could be added at the same time.

Compared to maintenance of the existing multipoint circuits, a "ping" message can be sent over the COWAN to the remote office TCP/IP address. If answered, the problem is at the remote office. If not, the problem is within the COWAN network. The trouble could then be dispatched to a technician in the remote office or referred to the broadband group for resolution.

Replacement of the existing E2A network with Comserv ACT128 devices in conjunction with the COWAN network would benefit BellSouth and rural customers through better alarm surveillance with reduced maintenance.

CERTIFICATE OF SERVICE

This is to certify that I have served a copy of the foregoing on all parties of record by placing a copy of same in the United States Mail, First Class, Postage Prepaid, on this the 3rd day of May, 2002.

Charles A. Stewart
Brian P. Strength
Attorneys for AT&T
Bradley, Arant, Rose & White, LLP
100 N. Union, Suite 650
Montgomery, AL 36104

Mark Wilkerson
R. Winston Lee
Brantley & Wilkerson, P.C.
405 S. Hull Street
Montgomery, AL 36104

Wendell Cauley
Attorney for Sprint
Bradley, Arant, Rose & White
504 South Perry Street
Montgomery, AL 36102

Edgar C. Gentle, III
Gentle, Pickens, Eliason & Turner
Two North Twentieth Bldg. - Suite 1200
2 North 20th Street
Birmingham, AL 35203

Nanette S. Edwards
Deltacom, Inc.
4092 S. Memorial Pkwy.
Huntsville, AL 35802

Virginia Tate, Esq.
AT&T, Law & Government Affairs
1200 Peachtree Street, N.E.
Suite 8100
Atlanta, GA 30309

Paul F. Guarisco
Attorney for ACTEL
ACTEL Integrated Communications
450 Laurel Street, Bank One Centre
N. Tower, Suite 2101
Baton Rouge, LA 70801

Olivia W. Martin
Office of the Attorney General
11 South Union Street
Montgomery, AL 36103-0152

Michael S. Jackson
Beers, Anderson, Jackson, Hughes
250 Commerce Street, Suite 100
P. O. Box 1988
Montgomery, AL 36104

William Hanchey
VERIZON
Suite 101
2000 Interstate Park Drive
Montgomery, AL 36019

Benjamin Fincher
Sprint Communications
Mail Stop GAATN0802
3100 Cumberland Circle
Atlanta, GA 30339

John Spilman, Director
Regulatory Affairs & Ind. Relations
Broadslate Networks, Inc.
675 Peter Jefferson Pkwy, Suite 310
Charlottesville, VA 22911

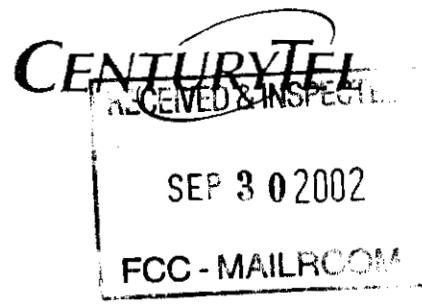
Joshua M. Bobeck
Swidler, Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D. C. 20007-5116

Kenneth D. Wallis
Capell & Howard
57 Adams Avenue
Montgomery, AL 36102



FRANCIS B. SEMMES

100 North Union Street
Suite 132
Montgomery, AL 36104
Tel 334 263 2295



August 20, 2002

Walter Thomas, Secretary
Alabama Public Service Commission
Post Office Box 304260
Montgomery, AL 36130-4260

Dear Mr. Thomas:

Accompanying this cover are an original and ten copies of CenturyTel of Alabama L.L.C.'s (CenturyTel) plan submission regarding use of 2003 Federal Universal Service Funds (USF).

CenturyTel used the actual 2002 Federal USF amounts in our estimate for the 2003 plan. Once we receive the final numbers from the FCC we will modify our plan accordingly.

Following are the numbers used for this plan:

	Total Federal USF	\$17,604,000
<i>Mac</i>	<u>Amount Embedded in Current Rates</u>	7,749,629 ✓
<i>rsil</i>	New Money	9,854,371

Please bring this filing to the attention of the Commission.

Sincerely,

William C. Hanchey, Jr.
Director Government Relations

WCHJr/ats

att

PROPOSED 2003 USF - ALABAMA

REPLACE OBSOLETE REMOTES

<u>EXCHANGE</u>	<u>PROJECT DESCRIPTION</u>	<u>EST CAP.</u>
MORRISONS	REPL MORRISONS X-ROADS SLC REMOTES Replaces 3 SLC remotes and places fiber to each new remotes. Will remove approximately 10 existing T1 repeaters.	\$ 989,500.00
SKYLINE	REPL REMOTES HWY 72 Replaces 3 914-A remotes and places 2.8 miles of fiber to serve these remotes. Existing repeaters will have to remain in place due to diversity circuits for Doppler Site.	\$ 551,000.00
ELBA	REPL HWY 87 N REMOTES Replaces 2 DMS Urban remotes and places 78kf of fiber to feed the new remotes. Will remove 19 existing T1 repeaters.	\$ 1,155,000.00
ABBEVILLE	REPL BACKWATER REMOTES Replaces 2 DMS Urban remotes, and 1 SDU24 remote. Places 78kf of fiber to feed the 3 new remotes, and will remove 19 T1 repeaters.	\$ 1,295,000.00
ANDALUSIA	REPL HARMONY REMOTES Replaces 2 914-A remotes and 1 SDU24 remote. Places 45kf of fiber to feed the 3 new remotes, and will remove 15 T1 repeaters.	\$ 732,000.00
TOTAL COST		\$ 4,722,500.00

REPLACE BURIED AIR CORE CABLE (BAC)

VERNON	REPL 108 KF BAC	\$ 628,500.00
PELL CITY	REPL 48 KF BAC	\$ 293,000.00
DALEVILLE	REPL 18 KF BAC	\$ 90,000.00
HEADLAND	REPL 35 KF BAC	\$ 175,000.00
MIDLAND CITY	REPL 25 KF BAC	\$ 130,000.00

RED LEVEL	REPL 30 KF BAC	\$	155,000.00
BAYOU	REPL 48 KF BAC	\$	264,000.00
TOTAL COST		\$	<u>1,735,500.00</u>

HIGH COST APPLICANTS

NEED VERIFICATION as to how many figure arrived at (Wayne)

NUMEROUS	Provides assistance to customers that require excessive construction to provide primary service.	\$	156,371.00
TOTAL COST		\$	<u>156,371.00</u>

FIBER TO REMOTES

HEFLIN	Places 15.3 miles of fiber to Edwardsville, Oak Level and Muscadine remotes and associated terminals to convert these remotes to fiber. Approximately 19 T1 repeaters can be retired	\$	671,000.00
VERNON	Place 5.2 miles of fiber to Convalescent OPM and associated terminals to convert this remote to fiber. Approximately 7 T1 repeaters can be retired.	\$	301,000.00
MORRISONS	Place 6.7 miles of fiber to Swagg RLS 450 and associated terminals to convert this remote to fiber. Approximately 7 T1 repeaters can be retired.	\$	216,000.00
TOTAL COST		\$	<u>1,188,000.00</u>

SERVICE IMPROVEMENTS

? WAYNE WILL INQUIRE

SCOTTSBORO	Provide for replacement of approximately 8 miles of pressurized cable in the Scottsboro exchange.	\$	1,000,000.00
TOTAL COST		\$	<u>1,000,000.00</u>

REPLACE ANALOG CARRIER

OPP	REPL 6 SYS 82A CXR Place cable on Palmer St. and Co. Rd.422 to remove all	\$	94,000.00
-----	--	----	-----------

remaining 82A CXR in the Opp exchange.
Palmer St. = \$43,000
Co.Rd. 422 = \$51,000

ORVILLE	REPL 2 SYS CM8 Place cable on Lead 59 and Lead 110 to remove all remaining CM8 CXR in the Orville exchange. Lead 59 = \$43,000 Lead 110 = \$41,000	\$	84,000.00
MIDLAND CITY	REPL 1 SYS 82A CXR Ext Cable 3rd Street = \$35,000 This will remove all remaining 82A CXR in the Midland City exchange.	\$	35,000.00
HARTFORD	REPL 2 SYS 82A CXR Ext Cable 3rd Avenue = \$52,000 This will remove all remaining 82A CXR in the Hartford exchange.	\$	52,000.00
GEVEVA	REPL 7 SYS 82A CXR Est Remote CR41 = \$200,000 Ext Cable from Remote = \$175,000 This will remove all remaining 82A CXR from the Geneva exchange.	\$	375,000.00
COLUMBIA	REPL 5 SYS 82A CXR PI Cable Anleca Dr = \$10,000 PI 2 Sys Conk & Ca Benton Store Rd = \$80,000 PI Remote and Cable Haleburg = \$212,000 This will remove all remaining 82A CXR from the Columbia exchange.	\$	302,000.00
ABBEVILLE	REPL 5 SYS 82A CXR PI Ca Bertha Rd = \$14,000 PI Ca Merritt Rd = \$8,000 PI Ca Snead Dr = \$22,000 PI Ca Bryant St = \$42,000	\$	86,000.00
ENTERPRISE	REPL 3 SYS 82A CXR PI Ca Bryant St. = \$20,000 PI Ca Pinecrest = \$4,000	\$	24,000.00

TOTAL COST \$ 1,052,000.00

TOTAL 2003 USF ALABAMA \$ 9,854,371.00

APPENDIX "D"



August 26, 2002

VIA HAND DELIVERY

The Honorable Walter Thomas
Alabama Public Service Commission
RSA Union Building
100 North Union Street
Montgomery, AL 36104



**RE: APSC Certification of Eligibility to Receive High Cost Support
Pursuant to 47 C.F.R. §54.314; APSC Docket 25980.**

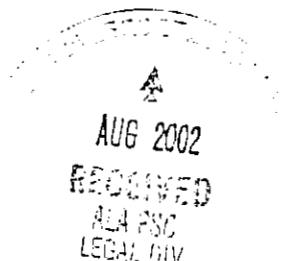
Dear Mr. Thomas:

Attached is the certificate filed by ALLTEL Alabama, Inc. (the "Company"), in conjunction with the Commission's annual certification that the Company is eligible to continue to receive federal high cost support for high-cost universal service support. If any additional information is required, please contact Bettye Willis at 501-905-5692.

Very truly yours,

Steve Mowery
Steve Mowery

Enclosure



CERTIFICATION

In its December 20, 2001 Order in APSC Docket 25980, this Commission determined that it could best meet its monitoring and certification obligations by requiring the "rural LEC Cost Companies" to file with the Commission a copy of its supporting annual interstate cost separation study, annual USF-HCLS filing and estimated USF-LSS filing for review and each of the "rural LEC Average Schedule Companies" to file with the Commission a copy of NECA's proposed annual USF-HCLS and USF-LSS amounts for review. Pursuant to the Order, the Company has previously provided the Commission with a copy of its most recent 2000 annual interstate cost separation study, annual 2002 USF-HCLS, and estimated 2002 USF-LSS filings. The Company will make a similar filing on or before the January 15, 2003 annual deadline.

The Company further certifies that it will only use the federal high-cost support it receives during 2003 for the continued provision, maintenance and upgrading of facilities and service for which such support is intended as described in 47 C.F.R. Section 54.101. Those services, which are available to any customer in the Company's service area are: single-party voice grade access to the public switched network, unlimited local usage, dual-tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service, and access to directory assistance, and toll limitation for qualifying low-income customers.

The Company respectfully requests that the Commission notify the FCC prior to October 1 of this year that the Company is eligible to receive federal high-cost support in 2003. Any questions regarding this submission or the underlying documentation previously submitted to the Commission should be directed to Bettye Willis at (501) 905-5692.