

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPROVAL OF THE RESALE AGREEMENT)	
NEGOTIATED BY ALLTEL COMMUNICATIONS)	
SERVICE CORPORATION AND UNIVERSAL)	CASE NO.
TELECOM, INC. PURSUANT TO SECTIONS)	2000-027
251 AND 252 OF THE TELECOMMUNICATIONS)	
ACTION OF 1996)	

APPROVAL OF THE RESALE AGREEMENT)	
NEGOTIATED BY ALLTEL COMMUNICATIONS)	
SERVICE CORPORATION AND COMM SOUTH)	CASE NO.
COMPANIES, INC. D/B/A KENTUCKY COMM)	2000-083
SOUTH, PURSUANT TO SECTIONS 251 AND)	
252 OF THE TELECOMMUNICATIONS ACT)	
OF 1996)	

O R D E R

On April 24, 2000, ALLTEL Kentucky, Inc. ("ALLTEL") petitioned for reconsideration of the April 3, 2000 Orders entered in these proceedings. For the purpose of addressing these petitions for reconsideration, the Commission will consolidate these matters. On April 3, 2000, the Commission approved the resale agreements negotiated between ALLTEL and Universal Telecom, Inc. ("Universal Telecom") and between ALLTEL and Comm South Companies, Inc. d/b/a Kentucky Comm South ("Comm South"). The Commission approved the negotiated agreements with one change. It required the avoided cost discount rate for the resale of tariffed services to be 17 percent based on a 1996 Order in Administrative Case No. 355, which

required that all local exchange carriers, other than GTE South Incorporated and BellSouth Telecommunications, Inc., provide a 17 percent discount rate.¹

ALLTEL asserts that the agreements were voluntarily negotiated, did not discriminate against another carrier, and were consistent with the public interest, convenience and necessity. ALLTEL argues that negotiated agreements are to be considered without regard to standards of resale or other requirements contained in 47 U.S.C. § 251(b) and (c). ALLTEL argues that there was no specific evidence regarding the appropriateness of the 17 percent discount. In fact, according to ALLTEL, the 17 percent wholesale discount rate was not even applicable to ALLTEL because of the rural exemption. ALLTEL argues that the voluntarily negotiated agreement does not revoke its rural exemption and that, therefore, the Commission may not order a wholesale discount rate for either Universal Telecom or Comm South. Universal Telecom and Comm South have not responded to the petitions.

The petitions for reconsideration should be denied. ALLTEL had notice of the Commission's 1996 decision mandating a 17 percent avoided cost discount. Denial of ALLTEL's motions for rehearing in these cases does not preclude ALLTEL from filing a cost study which may justify a lower avoided cost discount rate. Should ALLTEL choose to do so, then the Commission will review the avoided cost study and require the discount rate justified by the study to be applicable on a prospective basis.

¹ Administrative Case No. 355, An Inquiry Into Local Competition, Universal Service, and the Non-Traffic Sensitive Access Rate, entered September 26, 1996, at 14.

However, until then, Universal Telecom and Comm South must be offered a 17 percent discount on their resale of ALLTEL services.

The Commission, having considered ALLTEL's petitions for reconsideration and having been otherwise sufficiently advised, HEREBY ORDERS that ALLTEL's petitions are denied.

Done at Frankfort, Kentucky, this 15th day of May, 2000.

By the Commission

ATTEST:

Executive Director