

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BELLSOUTH PUBLIC COMMUNICATIONS,)
INC. FOR WITHDRAWAL FROM PROVISION OF)
PAYPHONE SERVICE IN KENTUCKY AND MOTION) CASE NO.
MOTION OF BELLSOUTH TELECOMMUNICATIONS,) 2003-00261
INC. FOR DEVIATION FROM 807 KAR 5:061, SECTION 11)

O R D E R

On July 2, 2003, BellSouth Telecommunications, Inc. (BellSouth) filed a motion, pursuant to 807 KAR 5:061, Section 28, for permission to deviate from 807 KAR 5:061, Section 11, which requires that telephone companies maintain at least one payphone in each exchange. In addition, BellSouth Public Communications, Inc. filed a petition to withdraw its operations in Kentucky. As these matters are directly related, the Commission will address them in one docket.

In order to fully address the petitions, the issue of adequate availability of payphones and whether BellSouth s motions should be granted, the Commission finds it necessary to seek comments from interested parties. Thus, the Attorney General, the Kentucky Payphone Association, and those persons who are parties to Administrative Case No. 361¹ shall be served a copy of this Order and be given an opportunity to file comments on BellSouth s petitions. Moreover, the Metro Human Needs Alliance shall also be served a copy of this Order to enable it to file comments should it so choose.

¹ Administrative Case No. 361, Deregulation of Local Exchange Companies Payphone Service.

BellSouth asserts that the requirement for a telephone utility to provide a payphone in each exchange presents a barrier to exit the payphone market. This barrier to exit, according to BellSouth, conflicts with the Federal Communications Commission's (FCC) regulation, 47 CFR §64.1330.

A related issue must also be considered in this proceeding. Previously the Commission has determined that payphones in low income and remote areas serve an important public interest, because in many cases they are the only means by which residents can reach emergency services, potential employers, public welfare agencies and family members. Ensuring that adequate numbers of public interest payphones are available throughout Kentucky is of vital interest. However, the Commission has received no complaints alleging that there are insufficient payphones in Kentucky. Thus, the Commission has deferred any action until such time as an interested party demonstrated that payphone providers were not meeting the need for public interest payphones.²

The Commission, having considered the petitions of BellSouth and BellSouth Public Communications, Inc. and having considered its previous determinations, HEREBY ORDERS that:

1. A copy of this Order shall be served upon the Attorney General, the Kentucky Payphone Association, the Metro Human Needs Alliance, and the parties to Administrative Case No. 361.

2. Within 30 days of the date of this Order, comments on these two petitions of BellSouth shall be filed. These comments shall include:

² Administrative Case No. 361, January 5, 1999 Order at 6.

- a. Any available information regarding the public s use of payphones.
 - b. Any available information regarding the availability, if any, of alternatives should BellSouth leave the payphone market in Kentucky.
 - c. Whether 807 KAR 5:061, Section 11, remains a reasonable requirement given the payphone market in Kentucky.
 - d. Requests for an informal conference, if any.
3. Within 45 days of the date of this Order, any party may request a public hearing on these petitions. Should no request be filed by that date, this matter will be submitted to the Commission for final decision.

Done at Frankfort, Kentucky, this 19th day of August, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00261