

TENNESSEE REGULATORY AUTHORITY

Mary W. Freeman
Director



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December 15, 2008

Director Sara Kyle
Director Eddie Roberson
460 James Robertson Parkway
Nashville, TN 37243

RE: United Telephone-Southeast, Inc. D/B/A Embarq Corporation Tariff Filing To
Increase Rates In Conjunction With The Approved 2007 Annual Price Regulation
Filing
TRA Docket 07-00269

Dear Director Kyle and Director Roberson:

Attached is the motion I intend to make at today's Authority Conference. This document is being filed for your convenience and to help expedite today's Conference.

Deliberations for this docket have commenced and no additional filings or comments from the parties should be considered.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary W. Freeman", with a long, sweeping horizontal line extending to the right.

Mary W. Freeman
Director

/mc

Attachment

cc: Docket File 07-00269

**Docket No. 07-00269 – United Telephone-Southeast, Inc. d/b/a Embarq Corporation
Tariff Filing to Increase Rates in Conjunction with the Approved 2007 Annual Price
Regulation Filing. (Tariff No. 2007-0456).**

Although Embarq and AT&T are both price cap regulated ILECS, the companies differ by territory served, services provided, number of lines and customers, rates and available headroom. Neither party presented an adequate comparison of AT&T and Embarq to definitively determine if the companies are sufficiently similar to necessitate identical treatment of Directory Assistance call allowances; however, due to the availability of alternatives to Directory Assistance, I move to allow Embarq, as a matter of policy, to decrease the number of monthly free call allowances from three to one.

Before the reduction in call allowances becomes effective, though, Embarq must demonstrate that it has sufficient headroom given the rate increases for other non-basic services that went into effect December 13, 2008. I, therefore, move that Embarq submit information demonstrating the revenue effect of reducing the DA call allowance from three to one and compliance with its price regulation plan. Concurrent with this filing, Embarq shall re-file its tariff with an effective date of thirty days after the filing date to allow time for any party to file comments in the record.

Additionally, in order to better promote the DA exemptions for those with disabilities and those over the age of 65, I move to direct Embarq to (1) provide a **monthly** bill message regarding the availability of and ways to apply for the exemptions; (2) include language regarding DA exemptions in the published telephone directories; (3) include language regarding DA exemptions in a welcome package; and (4) provide the exemption registration forms on the company website within 30 days of re-filing the tariff. These actions are similar to those volunteered by Embarq during the hearing.

I further move that Embarq provide reference to DA alternatives (i.e., 1-800-FREE411 and 1-800-Yellowpages) in the welcome package, in **monthly** bill messages or inserts, and in the published telephone directory with the same deadlines as those given for the exemption language to help allay the Consumer Advocates concerns that alternatives are advertised exclusively on the internet.

Finally, DA tariffs have come before the Authority piecemeal and the result has been a broad range of DA rates, terms and conditions. Although the record in this proceeding did not lead me to conclude that identical treatment of price regulated ILECs was necessary, a more comprehensive look at DA policy might demonstrate a need for, if not identical treatment of carriers, at least a more uniform policy. I, therefore, move to open a docket to explore the present treatment of DA call allowances for price regulated ILECs and CLECs and make recommendations for addressing the differences, including the promulgation of rules.