

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

AUGUST 24, 1999

IN RE:	)	
	)	
PETITION OF TELEPHONE ELCTRONICS	)	DOCKET NO. 99-00294
CORPORATION (CROCKETT, PEOPLES	)	
AND WEST TENNESSEE TELEPHONE	)	
COMPANIES) FOR APPROVAL OF AN	)	
INTRALATA TOLL DIALING PARITY PLAN	)	

**ORDER DELAYING THE INTRALATA TOLL DIALING PARITY
IMPLEMENTATION PLAN**

This matter came before the Tennessee Regulatory Authority (the "Authority") on June 8, 1999, at a regularly scheduled Authority Conference, to consider the Petition of Telephone Electronics Corporation for approval of an IntraLATA Toll Dialing Parity Implementation Plan ("the Plan") for Crockett, Peoples and West Tennessee Telephone Companies ("Crockett, Peoples and West Tennessee" or "the Companies").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.¹ Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections

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251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.² On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.³

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 47 U.S.C. §§151 *et seq.*

² FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

³ AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

Crockett, Peoples and West Tennessee are incumbent local exchange carriers providing telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Crockett, Peoples and West Tennessee are required to file plans with the Authority that provide for the implementation of intraLATA toll dialing parity in the exchanges served.⁴ The plans must allow customers to pre-subscribe to different carriers for local service, intraLATA toll service and interLATA toll service.⁵

Crockett, Peoples and West Tennessee filed IntraLATA Toll Dialing Parity Implementation Plans on April 22, 1999, with amendments filed on May 20, 1999. The Plans, as amended, failed to include a method for cost recovery. The Companies state that cost recovery plans will be filed July 15, 1999. Additionally, the Plans request modification of the implementation date until September 22, 1999 and relaxation of the requirement that prohibits a default carrier to be specified as a means of accomplishing IntraLATA Toll Dialing Parity.

The request to delay the implementation of IntraLATA Toll Dialing Parity is because necessary modifications to the company's carrier access billing, rating and other billing systems are not yet complete.

Crockett, Peoples and West Tennessee also request a relaxation of the requirement that prohibits a default carrier to be specified as a means of accomplishing IntraLATA Toll Dialing Parity. The Companies maintain that this requirement is set forth in FCC Order 96-333,

⁴ Under 47 C.F.R. § 51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

⁵ Pre-subscription allows the customer to place a call without dialing an access code.

Paragraph 41, which states "A LEC's plan may not accomplish toll dialing parity by automatically assigning toll customers to itself, to a customer's currently presubscribed interLATA or interstate toll carrier, or to any other carrier except when, in a state that already has implemented intrastate, intraLATA toll dialing parity, the subscriber has selected the same intraLATA and interLATA presubscribed carrier." The companies, however, state that they intend to assign new customers who do not select an intraLATA carrier to "no PIC"⁶, notify existing customers that a choice of intraLATA carriers is now available and allow existing customers not affirmatively changing carriers to remain with the existing provider.

The Directors considered Crockett, Peoples and West Tennessee's Plans at the June 8, 1999 Authority Conference. The Directors unanimously voted to approve the request for a delay in the implementation of intraLATA toll dialing parity until September 22, 1999. Accordingly, Crockett, Peoples and West Tennessee Telephone companies shall refile their IntraLATA Toll Dialing Parity Plans with a proposed cost recovery proposal sixty (60) days prior to the approved implementation date of September 22, 1999. Based on the representations of Crockett, Peoples and West Tennessee, the request for relaxation is not necessary or warranted because the plan as represented will conform to the FCC Order 96-333.⁷

IT IS THEREFORE ORDERED THAT:

1. The request of Crockett, Peoples and West Tennessee Companies to delay implementation of IntraLATA Toll Dialing Parity until September 22, 1999 is hereby granted;

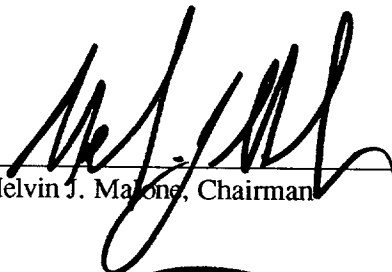
⁶ Per FCC Order 96-333, "The nonselecting customer dials a carrier access code to route their intraLATA toll or intrastate toll calls to the carrier of their choice..."

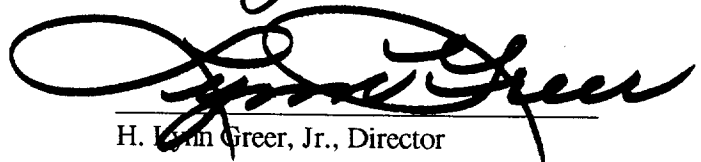
⁷ CC Docket 96-98, FCC 96-333, released August 8, 1996, para. 386.

2. Crockett, Peoples and West Tennessee shall refile their IntraLATA Toll Dialing Parity Plans with a proposed cost recovery proposal, sixty (60) days prior to the effective date of September 22, 1999. These Plans shall be consistent with all applicable sections of FCC Order 96-333;

3. The request of Crockett, Peoples and West Tennessee Telephone Companies for relaxation of the requirement that prohibits a default carrier to be specified as a means of accomplishing IntraLATA Toll Dialing Parity is not necessary or warranted; and

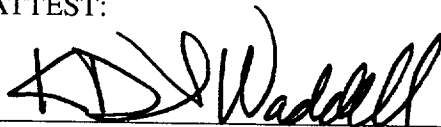
4. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary