



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

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



WALTER L. THOMAS, JR.
SECRETARY

GULF TELEPHONE COMPANY, INC., d/b/a
GULFTEL COMMUNICATIONS,

Petitioner

Petition: For a Declaratory Ruling
concerning the utilization of Centrex
Service to provide Shared Tenant Services.

INFORMAL DOCKET U-4349

RULING



BY THE COMMISSION:

By Order entered in this cause on September 25, 2002, the Commission established a Declaratory Rulemaking proceeding concerning the propriety of utilizing central office based Centrex Service to provide Shared Tenant Services ("STS") in Alabama. Said proceeding resulted largely from a request by Gulf Telephone Company, Inc., d/b/a GulfTel Communications ("GulfTel") to offer Centrex based services to STS providers in the GulfTel service territory in Alabama.

GulfTel's initial inquiry also led the Commission staff to raise additional questions concerning the status of Shared Tenant Service providers in Alabama, generally. The Commission initially noted in its September 25, 2002 Order establishing this Declaratory Rulemaking proceeding that Shared Tenant Service providers in Alabama appeared to be engaging in the provision of services which went well beyond the services authorized in the Commission's original Order of April 8, 1986 in Joint Dockets 19512 and 19576 wherein the STS provider classification was created.¹

¹ *Petition for Approval of Proposed Tariff Revisions to Introduce Shared Tenant Service Offerings and In Re: The Establishment of Rules, Regulations and Guidelines Governing the Provision of Shared Tenant Service, Joint Dockets 19512 and 19576, Alabama Public Service Commission (April 8, 1986) (the "Shared Tenant Service*

DOCKET U-4349 - #2

The Commission initially concluded in its September 25, 2002 Order that Shared Tenant Service providers in Alabama appeared more and more to be providing services which resembled those offered by Competitive Local Exchange Carriers ("CLECs"). The Commission accordingly sought comment from interested parties concerning, among other specific issues, the potential elimination of the STS provider classification and its merger into the CLEC designation.

In response to the September 25, 2002 Order, the Commission received responsive comments from BellSouth Telecommunications, Inc. ("BellSouth") and GulfTel. BellSouth concluded in its comments that the Shared Tenant Service provider classification should be eliminated entirely and subsumed within the Resold Competitive Local Exchange Carrier classification.² BellSouth further asserted that all present and future providers of Shared Tenant Services should be treated as CLEC resellers, including those who are currently utilizing Centrex Services via BellSouth's tariff to provide Shared Tenant Services.³

In its comments, GulfTel modified the Centrex based Service configuration proposed in its initial filing with the Commission which led to the establishment of this Declaratory Rulemaking proceeding. In particular, GulfTel noted its intention to utilize a remote concentrator and remote switching unit at the Shared Tenant Service provider premises. GulfTel maintained that its revised proposal would allow "trunks [to be] shared by a number of Shared Tenant consumers" in a manner which more closely adhered to the parameters of the Commission's *Shared Tenant Service Order*.⁴ GulfTel further maintained that under its revised proposal, the service provided by the STS providers would be more efficient and less costly.⁵

Order").

² BellSouth Comments at pp. 2-3.

³ BellSouth Comments at pp. 3-5.

⁴ GulfTel Comments at p. 2.

⁵ *Id.*

DOCKET U-4349 - #3

In light of its revised Centrex-based proposal, GulfTel encouraged the Commission not to abolish the Shared Tenant Service provider category or to otherwise impose additional regulatory requirements on Shared Tenant Service providers. GulfTel noted that the Commission's decision to streamline a regulatory process for Shared Tenant Service providers was based on several important considerations, all of which remain valid. Most significantly, GulfTel argued that the Commission restricted Shared Tenant Service providers to serving only single, continuous building facilities, a significant distinction that justifies their separate and distinct regulatory treatment.⁶

GulfTel further stated its belief that the existing Shared Tenant Service provider certification procedures continue to serve the public interest, particularly in GulfTel's service territory where there are numerous lodging, hotel and resort facilities serving short-term residents and guests. In such circumstances, GulfTel represented that telephone service is an integral component to the lease of the facilities, and that it would be impractical for the resort owners to attempt to enter into separate telephone service agreements with each guest. According to GulfTel, bringing Shared Tenant Service providers under the same certification category as common carriers offering service outside of their own property would impose unnecessary regulatory burdens on the Shared Tenant Service providers without any corresponding benefit. In particular, GulfTel noted that such a decision by the Commission might well subject Shared Tenant Service providers to unanticipated local privilege taxes as operators of "telephone exchanges" or "long distance telephone lines." GulfTel maintained that such a burden would likely be the death knell for Shared Tenant Service providers and would

⁶ GulfTel Comments at p. 3.

DOCKET U-4349 - #4

complicate efforts by resort operators and managers to ensure that telephone service is provided to transient customers.⁷

In summary, GulfTel urged the Commission to approve its request to utilize its tariffed Centrex offering to provide Shared Tenant Service subject to the requirement that service be provided by a remote concentrator and a remote switching unit at the Shared Tenant Service provider's premises, thereby allowing trunks to be shared in a manner consistent with the Commission's *Shared Tenant Service Order*. GulfTel also urged the Commission to defer until a later date consideration of a change in the regulatory classification of Shared Tenant Service providers in general.

We have reviewed GulfTel's revised proposal to utilize Centrex Service to serve Shared Tenant Service providers in its territory and conclude that under said revised proposal, GulfTel may indeed utilize Centrex Service to serve Shared Tenant Service facilities. In short, GulfTel's revised proposal to use Centrex Service appears to be consistent with the provisions of the Commission's April 8, 1986 *Shared Tenant Services Order*.

With respect to the inquiry of whether the Shared Tenant Service provider designation should be subsumed within the CLEC classification with Shared Tenant Service providers being regulated in the same manner that CLECs are, we defer a ruling at this time. The Commission seeks to further investigate the ramifications of such a decision to ensure that there are no unintended consequences that adversely affect Alabama consumers and providers of Shared Tenant Services in Alabama generally.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That Gulf Telephone Company, Inc., d/b/a GulfTel Communications may utilize Centrex based Services in the

⁷ GulfTel Comments at pp. 3-4.

DOCKET U-4349 - #5

manner reflected in its October 28, 2002 filing with the Commission in this proceeding to serve Shared Tenant Service providers in its territory.


IT IS FURTHER ORDERED BY THE COMMISSION, That a determination of whether to merge the Shared Tenant Service provider classification into the Competitive Local Exchange Carrier designation is hereby deferred indefinitely until a further investigation of the ramifications of such a decision can be considered.

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.

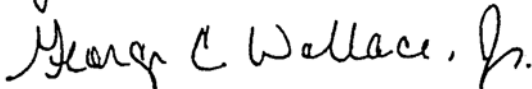
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 3rd day of April, 2003.

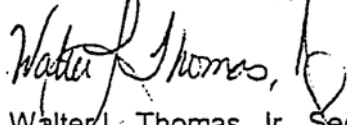
ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary