

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

in the Matter of:

APPLICATION OF GTE SOUTH )  
INCORPORATED FOR THE RURAL )  
TELEPHONE COMPANY EXEMPTION ) CASE NO. 96-313  
FROM CERTAIN REQUIREMENTS OF )  
THE TELECOMMUNICATIONS ACT OF )  
1996 )

O R D E R

On June 20, 1996, GTE South Incorporated ("GTE South") filed a letter, which the Commission will treat as an application, stating that its area formerly served by Contel of Kentucky, Inc. ("Contel") qualifies for the rural exemption provided by the Telecommunications Act of 1996 ("the Act"). Rural telephone companies as defined in Section 3(a)(47) of the Act are not required to comply with certain duties imposed upon other incumbent local exchange carriers. GTE South states that it qualifies under Section 3(a)(47)(c) because its Contel study area serves fewer than 100,000 access lines.

The information submitted by GTE South does not indicate that it is entitled to claim the rural exemption. Its study area within Kentucky includes not only the area formerly served by Contel, but all areas currently served by GTE South. Commission records indicate that Contel has merged into GTE South. Contel has no tariff on file at the Commission because it is no longer in existence.

JUL-30-96 TUE 09:19

JUL-22-1996 11:38 FROM SGA

FAX NO. 99036109

P. 03

TO

386301173 P. 04/06

IT IS THEREFORE ORDERED that GTE South's application for the rural telephone company exemption provided by the Telecommunications Act of 1996 is denied.

Done at Frankfort, Kentucky, this 10th day of July, 1996.

By the Commission

ATTEST:

  
Executive Director

004807

Larry D. Coffey  
State Manager  
Regulatory Affairs & Training

RECEIVED



GTE Telephone  
Operations

JUN 20 2 27 PM '96

KY1001/2  
3725 Nicholasville Blvd.  
Lexington, KY 40502  
606 245 1381

PUBLIC SERVICE  
COMMISSION

June 20, 1996

Mr. Don Mills  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40602

Dear Mr. Mills:

This is to advise you that GTE South Incorporated's former Contel service areas within Kentucky come under the rural exemption as provided by the Telecom Act of 1996, with respect to certain interconnection and unbundling obligations. Although the Contel of Kentucky, Inc. study area is rural, we will continue to negotiate in good faith with those carriers making bona fide requests for interconnection, unbundled services, and resale.

Section 3(a)(47) of the Act provides a rural exemption for a "local exchange carrier operating entity" that meets any of the following conditions:

- A) Provides service to any study area that does not include an unincorporated area of 10,000 residents or more, or does not include any territory defined as urban by the Census Bureau.
- B) Provides service to fewer than 50,000 access lines.
- C) Provides service to a study area with fewer than 100,000 access lines.
- D) Has less than 15% of the access lines in communities of more than 50,000 residents as of February 8, 1996.

GTE qualifies for the rural exemption in Kentucky under condition (C) as stated above. We have 85,447 access lines in our Contel of Kentucky, Inc. study area, which falls below the limit stated in condition (C).

004808

Mr. Don Mills  
June 20, 1996  
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Congress was concerned about maintaining high quality communication services in rural areas; thus, they did not impose interconnection, resale of services, and unbundling obligations on telephone companies serving these areas, unless the state commission determined such activity was appropriate. Once the Commission receives notice that a bona fide request has been submitted to GTE requesting interconnection, resale of services, or unbundling, the Commission will determine to what extent such a request is unduly economically burdensome, is technically feasible, or may interfere with the maintenance of universal service.

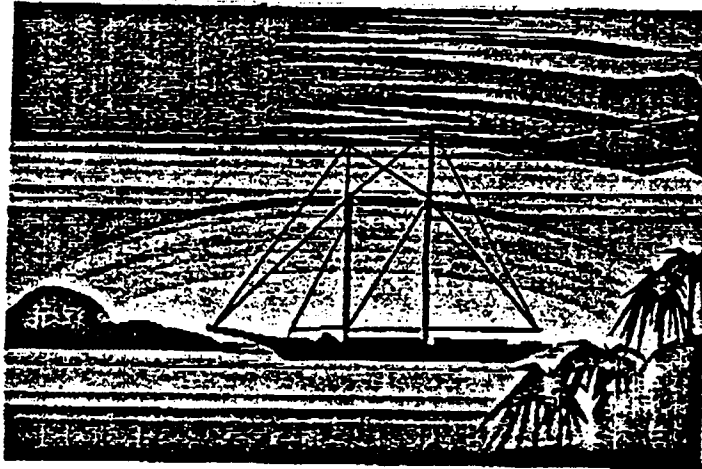
GTE will actively participate in any Commission proceedings to determine whether requests for interconnection and unbundling meet the requirements of the Act. Please call if you have any questions.

Sincerely,



Larry D. Callison

LDC:pcn



**IT'S JUST THE FAX**

*from*

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**5462C2**  
**295 North Maple Av**  
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*phone 908/221-3509*  
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**004810**