January 12, 1996

Carl Thomas Zmuda

405 Polly

Troy, Idaho  83871-9666

Dear Carl,

Thank you for your comments regarding GTE's proposed local calling plan (LCP).  I have been asked to respond to your letter which has been routed to each Commissioner and will be placed in the official files for Case No. GTE-T-95-3 and Case No. GNR-T-93-13.

Troy, Kendrick and Juliaetta cannot be included in GTE's Local Calling Plan (LCP) because they are in a different LATA than the rest of Latah County and GTE is prohibited from carrying calls across LATA boundaries.  LATAs (Local Access and Transport Areas) are geographic areas created by federal court Consent Decrees in the early 1980s.  These Consent Decrees were the result of antitrust lawsuits filed by the U. S. Department of Justice in a federal court and place service restrictions on both GTE and Bell operating companies.  A waiver from a federal judge would be required before GTE could legally provide interLATA calling.

The Commission staff's Statewide Extended Area Service (EAS) Investigation report in Case No. GNR-T-93-13 analyzed nearly 300 toll routes in Idaho (excluding exclusive GTE routes) and compared them for possible expansion of local calling areas.  Included in the approximately 175 routes that were thought by staff to have the greatest need for conversion to local calling (i.e. A or B priority) were the following 13 routes:  Troy-Moscow, Troy-Deary, Troy-Kendrick, Kendrick-Lenore, Kendrick-Deary, Kendrick-Lapwai, Kendrick-Moscow, Kendrick-Lewiston, Juliaetta-Lenore, Juliaetta-Lapwai, Juliaetta-Genesee, Juliaetta-Lewiston and Juliaetta-Moscow.  The staff rankings were accomplished through analysis of over twenty socioeconomic and geopolitical factors including consideration of schools, county lines and county seats, proximity of exchange pairs, current average toll bills and toll density between exchange pairs, presence of certain government offices, and expressed customer interest.  However, these rankings are simply staff's rankings and have not been adopted by

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Page 2

the Commission and they do not address the important issues of the redistribution of telephone revenue or possible capital costs for expansion of interexchange facilities sometimes necessary to accommodate increased calling.

Based on the staff's report and a public hearing held in August of 1995, the Commission will determine how to compare and evaluate customer requests for expanded local calling areas and then will proceed to decide whether or not to require local calling on the thirty or so routes for which it has received petitions from customers.

Intercompany routes, such as between Troy Telephone and GTE's Moscow exchange, are more difficult than others to accomplish because of the large amounts of necessary revenue redistribution.  Copies of the Commission's orders denying the most recent Troy-Moscow EAS petition are enclosed.  As they explain, the revenue requirement and rate impacts on Troy customers would have been so great that the Commission concluded that EAS would not benefit a majority of Troy customers.  The fact that Troy and Moscow are in different LATAs, besides requiring a waiver from a federal judge, also is an indicator of the lack of direct connecting facilities.  Currently, the shortest travel distance for calls between the two communities is through Coeur d'Alene, Spokane, Lewiston and Kendrick and involves facilities of TDS (owner of Troy and Potlatch Telcos.), U S WEST, GTE and an interexchange carrier such as AT&T or MCI.  All this is not to say that toll free calling between Troy and Moscow is impossible, but it is more difficult than for the typical pair of adjacent exchanges.

If you have additional comments or questions or need additional information please write or call.  My direct telephone number is 208-334-0353.  Again, thank you for taking the time to write.

Sincerely,

Lynn Anderson

IPUC Staff Economist

cc:Tonya Clark

Don Howell

Weldon Stutzman

Case No. GTE-T-95-3

Case No. GNR-T-93-13

Enclosures:  Order Nos. 25216, 25291 and 26299

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