

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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| <p>IN RE:</p> <p>DEREGULATION OF SINGLE LINE FLAT-RATE LOCAL EXCHANGE SERVICE IN COMPETITIVE MARKETS</p> | <p>DOCKET NO. INU-05-2</p> |
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NOTICE OF VIOLATIONS OF BOARD ORDER

(Issued June 29, 2005)

On May 13, 2005, the Utilities Board (Board) initiated this notice and comment proceeding to consider whether residential and business local exchange service in certain Iowa communities is subject to effective competition and should be deregulated pursuant to Iowa Code § 476.1D (2005) and 199 IAC 5.3(1) (2005). As a part of that order, the Board directed certain local exchange service providers to file updated responses to its 2003 survey of local exchange service providers in Iowa.

The Board's order stated in Ordering Clause No. 4 as follows:

4. All ILECs and CLECs providing service in the exchanges listed in this order shall file updated survey responses for those exchanges. The updated responses shall be filed on or before June 13, 2005, and shall include data as of May 1, 2005. A copy of the survey form is attached to this order as Attachment B. If assembling data as of May 1, 2005, is likely to present an undue burden for an ILEC or CLEC, the company may file a request for authorization to use other data. The request, which must be filed on or before May 23, 2005, shall specify the reason that the May 1, 2005, data would be unduly burdensome and shall identify the data that is available and proposed for use.

As of the date of this order, 23 of the ILECs and CLECs affected by this order have filed updated survey responses. However, the following carriers have not filed updated survey responses for some or all of the affected exchanges:

1. AscendTel, LLC
2. AT&T Communications, Inc.
3. AT&T Local Service, f/k/a TCG
4. BG Enterprises, Inc.
5. Budget Phone, Inc.
6. CAT Communications International, Inc.
7. CommSouth Companies, Inc.
8. Community Cable Television Agency of O'Brien
9. Digital Telecommunications, Inc.
10. Granite Telecommunications, LLC
11. Grundy Center
12. Houlton Enterprises, Inc., d/b/a Guaranteed Phone Service
13. Huxley Communication Cooperative
14. Iloka, Inc., d/b/a Microtech-Tel
15. Ionex Communications North, Inc.
16. LTDS Corporation
17. Manning Municipal Communication
18. MidContinent Communications, Inc.
19. New Access Communications, LLC
20. OrbitCom, Inc.
21. Reinbeck Municipal Telephone Utility
22. Twin Rivers Valley Telephone, Inc.
23. WestTel
24. Z-Tel Communications, Inc.

Each of these carriers is hereby notified, pursuant to Iowa Code § 476.51, that it has violated an order lawfully issued by the Board by failing to provide updated information as required by the order of May 13, 2005. Each carrier has two weeks from the date of this order to cure its violation by submitting updated survey responses in compliance with the requirements of the Board's May 13, 2005, order.

Failure to comply by any carrier will subject that carrier to civil penalties pursuant to Iowa Code § 476.51.

The Board also notifies these carriers that a failure to comply may be considered evidence that the carrier is no longer furnishing land-line local telephone service in Iowa and, therefore, is no longer entitled to hold a certificate of public convenience and necessity for that purpose pursuant to Iowa Code § 476.29.

Finally, the Board notes that House File 277, which amends Iowa Code §§ 476.1D and 476.55, becomes effective July 1, 2005. House File 277 requires the Board to consider various factors including, but not limited to, the presence or absence of wireless communications services, cable telephony services, and Voice over Internet Protocol (VoIP) services when considering whether a service or facility should be deregulated. In this docket, the Board will consider all evidence submitted by the participants concerning these services. However, the Board will not require providers of these services to submit survey responses in this proceeding because participants in this proceeding have been directed to update past survey responses that did not include these services. To the extent that a provider of wireless, cable telephony, or VoIP services responded to the Board's 2003 survey, then that provider is required to provide updated responses for the exchanges listed in the May 13, 2005, order. The Board anticipates that providers of these services will be included in future surveys.

IT IS THEREFORE ORDERED:

The local exchange carriers identified in the body of this order are hereby notified, pursuant to Iowa Code § 476.51 (2005), that they are in violation of the Board's order of May 13, 2005, as described above. Each carrier has 14 days from the date of this order to comply with the requirements of the May 13, 2005, order. Failure to comply may result in an order requiring the carrier to show cause why civil penalties should not be assessed against it for its failure to comply.

UTILITIES BOARD

/s/ John R. Norris

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 29th day of June, 2005.