

PRESS RELEASE
GEORGIA PUBLIC SERVICE COMMISSION

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**ALLTEL'S ATTEMPT TO INCREASE LOCAL PHONE RATES BY \$40 MILLION IS
HALTED BY THE GEORGIA PUBLIC SERVICE COMMISSION**

ATLANTA—Late yesterday afternoon, the Superior Court of Fulton County affirmed an order of the Georgia Public Service Commission ("Commission") and denied a request by the ALLTEL companies to increase its local rates by \$40 million dollars a year. The challenge to the Commission's order, which the agency successfully opposed, would have resulted in an average increase of \$70 per year for each ALLTEL customer.

In the order on appeal, the Commission had ruled that effective June 30, 2001, the ALLTEL companies and all other local exchange companies in Georgia could no longer recover subsidies from the state's universal service fund without first demonstrating that the subsidies are necessary to provide universal telephone service to customers in the areas they serve. "Universal telephone service" means providing affordable local telephone service to all residential and small business customers. The fund was created to provide support for universal telephone service.

The ALLTEL companies currently receive \$40 million dollars from the fund. Rather than justifying its need for the subsidy, ALLTEL asked the court to order the Commission to increase ALLTEL's local basic rates by \$40 million dollars per year.

Since the Georgia Telecommunications Act was passed in 1995, the Commission has diligently worked to create an environment to foster competition for telecommunications services while maintaining universal service support where such support is necessary. Removing unneeded subsidies, which are ultimately paid by Georgia consumers, promotes market competition by leveling the playing field for new entrants.

The ALLTEL companies include ALLTEL Georgia Communication Corp., Georgia ALLTEL Communicon Co., ALLTEL Georgia Inc., Georgia ALLTEL Telecom Inc., Georgia ALLTELCom Co., Standard Telephone Company and Georgia Telephone Corporation. These companies provide service to numerous communities in Georgia, including Dalton, Moultrie, Milledgeville, Monroe, Cornelia, Young Harris, and Dawsonville.