

LAW OFFICES

McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, RIEF & BAKAS, P.A.

100 NORTH TAMPA STREET, SUITE 2800
TAMPA, FLORIDA 33602-5126

MAILING ADDRESS: TAMPA

P.O. BOX 3350, TAMPA, FLORIDA 33601-3350

TELEPHONE (813) 224-0866

FAX (813) 221-1854

CABLE GRANDLAW

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE
117 S. GADSDEN
TALLAHASSEE, FLORIDA 32301
TELEPHONE (904) 222-2525
FAX (904) 222-5606

LYNWOOD F. ARNOLD, JR.
JOHN W. BAKAS, JR.
HARRY LEE COE, IV
LINDA DARSEY HARTLEY
C. THOMAS DAVIDSON
STEPHEN O. DECKER
LINDA E. JORGE
VICKI GORDON KAUFMAN
JOSEPH A. MCGLOTHLIN
JOHN W. McWHIRTER, JR.
RICHARD W. REEVES
FRANK J. RIEF, III
DAVID W. STEEN
PAUL A. STRASKE

September 17, 1996

HAND DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket Nos. 960658-TP and 930330-TP

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and fifteen copies of Prehearing Statement of Joint Complainants in the above dockets.

I have also enclosed a disk containing the Prehearing Statement entitled "PHS," formatted in WordPerfect Version 5.1.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,


Joseph A. McGlothlin

1 JAM/pw
5 Encls.

RECEIVED & FILED

DOCUMENT NUMBER-DATE
09922 SEP 17 96
FFSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Interexchange
Carriers Association, MCI Telecommunications
Corporation, and AT&T Communications of the
Southern States, Inc., against BellSouth
Telecommunications, Inc.)
Docket No. 960658-TP)
Docket No. 930330-TP)
Filed: September 17, 1996)

PREHEARING STATEMENT OF JOINT COMPLAINANTS

Pursuant to Order No. PSC-46-1044-PCO-TP, the Florida Interexchange Carriers Association ("FIXCA"), MCI Telecommunications Corporation ("MCI"), and AT&T Communications of the Southern States, Inc. ("AT&T"), through their undersigned counsel, hereby submit their Prehearing Statement in the above docket.

A. The names of all known witnesses and the subjects of their testimony:

MCI, AT&T and FIXCA will sponsor the direct and rebuttal testimony of Sandra Seay. In her testimony, Ms. Seay will address the anticompetitive aspects of BellSouth's business practices and tariff provisions as they relate to the implementation of 1 + intraLATA presubscription in Florida. Ms. Seay will address Issues 1-8 as they appear in this Prehearing Statement.

B. A description of all known exhibits that may be used by the parties, whether they may be identified on a composite basis, and the witness sponsoring each:

<u>Exhibit</u>	<u>Description</u>	<u>Sponsor</u>
Exhibit 1	Example of BellSouth bill stuffer.	Seay
Exhibit 2	Excerpt from BellSouth directory language.	Seay
Exhibit 3	Information on business practices provided by BellSouth to Kentucky Public Service Commission.	Seay

DOCUMENT NUMBER-DATE

09922 SEP 17 86

FPSC-RECORDS/REPORTING

<u>Exhibit</u>	<u>Description</u>	<u>Sponsor</u>
Exhibit 4	Excerpt, 6 pages from BellSouth document captioned "IntraLATA (1 + local toll) Presubscription (FL, GA, KY)"	Seay
Exhibit 5	Order of Kentucky Public Service Commission in Case Nos. 95-285 and 95-396, dated August 13, 1996.	Seay
Exhibit 6	Order of Minnesota Public Service Commission, Docket No. E-999/CI-95-135, dated December 19, 1995.	Seay
Exhibit 7	BellSouth document captioned "1 + Local Toll (IntraLATA) Presubscription -- Florida Operating Standards, 06/96."	Seay
Exhibit 8	Letter, FCC's Martha Wallman to BellCore, dated September 26, 1995.	Seay

Because BellSouth has asserted that two of the exhibits are confidential, Joint Complainants suggest that the exhibits not be assigned a composite number at this time.

C. Statement of Basic Position:

In its decision to require 1+ intraLATA presubscription, the Commission intended that equal access by customers to the 1 + dialing convention serve as the basis for full and fair competition in the intraLATA market. BellSouth has devised anticompetitive business practices and unreasonable tariff provisions which, if allowed to remain in effect, would hinder the exercise of competitive choices and enable BellSouth to leverage its position as dominant incumbent provider of local exchange services to gain an unfair advantage over intraLATA competitors, thereby frustrating the intent of the Commission in Order No. PSC-95-0203-FOF-TP. The Commission should require BellSouth to adopt competitively neutral practices similar to those in effect in connection with the implementation of 1 + interLATA presubscription. BellSouth's customer service representatives are familiar with that approach, which has worked well for

years as a carrier-neutral, customer-friendly environment.

D. & F. A statement of each question of fact (D) and policy (F), the party considers at issue, the position of the party on each such issue, and which of the party's witnesses will address the issue:

FIXCA, MCI, and AT&T consider the following issues to be mixed issues of fact and policy.

1. Are BellSouth's present and planned business practices for communicating information to new customers regarding choices of intraLATA carriers available to the customer proper?

FIXCA, MCI, AT&T: No. As the LEC which new customers must contact to arrange for service, BellSouth intends to unfairly favor its own service by marketing its own intraLATA service to all new customers, yet will merely read a list of the other carriers who provide intraLATA service only if specifically asked. BellSouth should be required to adopt a neutral practice, as it has done in connection with interLATA equal access presubscription. (Seay).

2. Is it proper for BellSouth to initiate communications with existing customers about BellSouth's intraLATA services when those customers contact BellSouth for reasons other than selecting their intraLATA carrier?

FIXCA, MCI, AT&T: No. As the dominant incumbent LEC, BellSouth receives a multitude of contacts from customers for reasons unrelated to intraLATA toll service. It would be improper and unfair for BellSouth to use such contacts as opportunities to market its intraLATA offerings. (Seay).

3. When referring to the intraLATA service areas in directories and bill inserts, should BellSouth be prohibited from utilizing terminology that suggest ownership of the intraLATA toll calling area?

FIXCA, MCI, AT&T: Yes. Such references wrongfully imply that BellSouth has a claim or entitlement to the intraLATA calls, thereby confusing customers. Such a message would unfairly hinder the development of a competitive intraLATA market. (Seay).

4. Should BellSouth be required to process the orders of all existing customers who contact BellSouth to change intraLATA carriers without first attempting to require the customers to contact the carrier for that purpose?

Yes. BellSouth is compensated by IXCs for each order that it processes. BellSouth's proposed practice would impede the development of competition by adding an unnecessary step to the process for changing carriers. Further, BellSouth's practice of acting on some orders but not others, based on the particular customer's degree of perseverance, discriminates against some customers. (Seay).

5. With respect to a new customer who is undecided regarding choice of intraLATA carriers, should BellSouth designate such a customer as "no PIC" status or should BellSouth default the customer to BellSouth until a choice is made?

FIXCA, MCI, AT&T: Consistent with the FCC's recent Second Report and Order, FCC 96-333, issued in CC Docket No. 96-98 on August 8, 1996, BellSouth should designate undecided customers as "no PIC" until they affirmatively select a carrier. As the FCC has directed BellCore to allocate CIC codes for this purpose, this approach is technically feasible as well as competitively neutral. (Seay).

6. Should existing customers be given an opportunity to designate their preferred intraLATA carrier one time without incurring a PIC change charge?

FIXCA, MCI, AT&T: Yes. Because existing customers had no prior ability to select a competing carrier to handle 1+ intraLATA traffic, such customers should be given an opportunity to do so once without charge when it is made available. However, the Commission may impose a reasonable time limit on the opportunity. The Joint Complainants recommend a time frame of six months. (Seay).

7. Should BellSouth impose a single PIC change charge on a customer who changes interLATA and intraLATA carriers at the same time?

FIXCA, MCI, AT&T: Yes. To avoid unreasonable restraints on a customer's exercise of choice, BellSouth should impose only one PIC change charge on a customer who changes both interLATA and intraLATA carriers in a single transaction. (Seay).

8. When an existing customer contacts BellSouth in its capacity as LEC for the purpose of changing to an intraLATA carrier other than BellSouth, should BellSouth be permitted to initiate marketing efforts designed to prevent the change?

FIXCA, MCI, AT&T: No. At that point the Commission's intent that customer decisions be based on competing marketing efforts has been achieved, and BellSouth's only legitimate role is to execute the customer's instructions. Its plan to attempt to reverse the customer's decision is an abuse of its role as dominant LEC, and vividly demonstrates the need for the Commission to prohibit BellSouth from utilizing LEC-related contacts as marketing opportunities. (Seay).

E. Legal Issues:

9. Do the BellSouth business practices and tariffs that are the subject of this docket violate Section 364.01(4)(f), Florida Statutes, or Order PSC-95-0203-FOF-TP?

FIXCA, MCI, AT&T: Yes. Because they would impede full, fair competition in the intraLATA market, these practices constitute anticompetitive behavior within the meaning of Section 364.01(4)(f), Florida Statutes. Allowed to become effective, they would frustrate the intent of Order No. PSC-95-0203-FOF-TP.

10. What is the impact on Issue 5 of the FCC's Order No. 96-333 dated August 8, 1996?

FIXCA, MCI, AT&T: The FCC has mandated that BellSouth and other LECs provide a no-PIC status to new customers who do not select a carrier for their intraLATA traffic.

G. A statement of stipulated issues:

BellSouth and Joint Complainants have reached an agreement in principle with respect to Issue 3. Joint Complainants hope to have a written stipulation by the time of the Prehearing Conference.

H. A statement of all pending motions or other matters:

BellSouth has asserted the confidentiality of two of Ms. Seay's exhibits, which were obtained from BellSouth during discovery. Pursuant to a confidentiality agreement, the exhibits were submitted in shielded form. However, as permitted by the agreement, Joint Complainants intend to challenge BellSouth's claim of confidentiality.

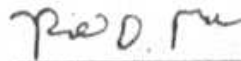
I. A statement of any requirement that cannot be met.


None.



Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, Florida 32301
(904) 222-2525

Attorneys for the Florida Interexchange
Carriers Association



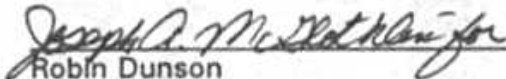
 Martha McMillin
MCI Telecommunications Corporation
780 Johnson Ferry Road
Suite 700
Atlanta, Georgia 30346

Attorney for MCI Telecommunications
Corporation



Richard D. Melson
Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
Tallahassee, Florida 32301

Attorney for MCI Telecommunications
Corporation



Robin Dunson

AT&T Communications

1200 Peachtree Street, N.E.

Suite 4038

Atlanta, Georgia 30309

Attorney for AT&T Communications of
the Southern States, Inc.

Mark Logan

Bryant, Miller & Olive

201 South Monroe Street, # 500

Tallahassee, Florida 32301

Attorney for AT&T Communications of
the Southern States, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Joint Complainants has been furnished by U.S. Mail/hand delivery(*) to the following parties this 17th day of September, 1996:

*Monica Barone
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

*Nancy B. White
William Allenberg
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street
Sun Bank Building, Suite 400
Tallahassee, Florida 32301

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom & Ervin
Post Office Drawer 1170
Tallahassee, Florida 32301

Benjamin W. Fincher
Sprint Communications Company
3100 Cumberland Circle
Atlanta, Georgia 30339
Mailstop: GAATLN0802


Joseph A. McGlothlin