

NANCY B. WHITE
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BellSouth Telecommunications, Inc.
150 South Monroe Street
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Tallahassee, Florida 32301
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911399-TP

October 21, 1997

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

**Re: Lifting of Marketing Restrictions Imposed by
Order No. PSC-96-1569-FOF-TP**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Petition, which we ask that you file in the above-captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTL _____

NBW/vf

- cc: All parties of record
- A. M. Lombardo
- R. G. Beatty
- William J. Ellenberg II

Sincerely,

Nancy B. White (vr)

Nancy B. White

DOCUMENT NUMBER-DATE
10806 OCT 21 5
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Petition of BellSouth) Docket No.: _____
Telecommunications, Inc. to Lift)
Marketing Restrictions Imposed)
By Order No. PSC-96-1569-FOF-TP)
_____) Filed: October 21, 1997

BELLSOUTH TELECOMMUNICATIONS, INC.'S PETITION

BellSouth Telecommunications, Inc., ("BellSouth" or "Company"), a Georgia Corporation authorized to do and doing business in the State of Florida as a local exchange company, by and through its undersigned counsel, petitions the Florida Public Service Commission ("Commission") to lift the marketing restrictions imposed by this Commission on BellSouth in Order No. PSC-96-1569-FOF-TP. In support thereof, BellSouth states the following:

1. Petitioner, BellSouth, is a telecommunications carrier in Florida operating as a local exchange company and an intraLATA toll carrier. Its principal Florida business offices are located at 150 West Flagler Street, Suite 1910, Miami, Florida 33130. Notices, pleadings, orders and other papers in this docket should be furnished to the following:

Robert G. Beatty
Nancy B. White
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, Florida 32301

2. As a result of a Joint Complaint¹ filed concerning BellSouth's tariff and business of practices regarding intraLATA presubscription, this Commission issued

¹ The Joint Complaint was filed by the Florida Interexchange Carriers Association ("FIXCA"), MCI Telecommunications,

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Order No. PSC-96-1569-FOF-TP ("Order") on December 23, 1996. The Order held, among other things, that BellSouth was prohibited from marketing its services to existing customers calling to change intraLATA carriers and from initiating marketing of its intraLATA services to existing customers calling for reasons other than to change intraLATA carriers for a period of 18 months. (Order, pgs. 7-9). Moreover, BellSouth was prohibited from marketing its intraLATA toll service to new customers unless the customer introduced the subject. (Order, pg. 6).

3. The purpose of the prohibitions was to increase customer awareness regarding the availability of various intraLATA toll carriers, as well as to allow time for the major interexchange carriers to establish themselves in the intraLATA market. (Order, pgs. 6, 8, and 9). BellSouth avers that the purpose of the prohibitions has been served and the time has come for the Commission to lift these restrictions from BellSouth.

4. BellSouth has tracked the intraLATA toll disconnects from June of 1996 through September 30 of 1997 for all existing Florida residential and business customers. The numbers show that BellSouth has lost 26% of intraLATA toll pic-able access lines in that time frame. This figure demonstrates that customers are aware of

Corporation ("MCI") and AT&T Communications of the Southern States, Inc. ("AT&T") on May 24, 1996.

their intraLATA toll choices and that the major interexchange carriers have developed a presence in the intraLATA toll market.

5. BellSouth has also tracked the percentage of new residential customers who have chosen an intraLATA toll carrier other than BellSouth. The numbers show that from January, 1997 to August, 1997, an average of 34% of new residential customers chose a carrier other than BellSouth. The numbers also show, however, that this percentage was 48% in June and July of 1997 and 49% in August of 1997. Again, these numbers demonstrate that intraLATA presubscription is a success in Florida.

6. The restrictions put BellSouth at a competitive disadvantage, especially with the large interexchange carriers who provide local, intraLATA toll and interLATA toll. BellSouth's local and intraLATA toll competitors are not required to labor under the restrictions to which BellSouth is subject. They may attempt to retain their customer's business and may initiate marketing efforts to dissuade customers from changing intraLATA carriers. It should be noted that some interexchange carriers are leading customers to believe that only one long distance company may be designated.

7. Customers are getting short changed in the intraLATA competitive market. For example, if a customer currently uses Extended Calling Service ("ECS") and chooses an intraLATA carrier other than BellSouth, that customer will be required to dial around to reach ECS and receive the benefit of the plan. If the customer does not dial

around, the customer will pay intraLATA toll rates rather than ECS rates. BellSouth is not allowed, under the Order, to advise the customer of the dial around requirement.

8. The Commission's avowed goals in placing the market restrictions on BellSouth have been achieved. IntraLATA competition is thriving in Florida. The time has come to lift the restrictions from BellSouth and allow BellSouth to participate in this market without a handicap.

WHEREFORE, BellSouth Petitions the Commission to lift the restrictions placed upon BellSouth by the Order, or in the alternative, grant BellSouth some measure of freedom from the Order's restrictions, to enter an Order so finding, and to grant such other relief as the Commission deems fair and just.

Respectfully submitted this 21st day of October, 1997.

Robert G. Beatty (KR)
ROBERT G. BEATTY
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WILLIAM J. ELLENBERG II
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Atlanta, GA 30375
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**CERTIFICATE OF SERVICE
LIFTING OF MARKETING RESTRICTIONS IMPOSED
BY ORDER NO. PSC-1569-FOF-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served
by Hand Delivery this 21st day of October, 1997 to the following:

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Nancy B. White (KR)
Nancy B. White