

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against BellSouth Telecommunications, Inc. for violation of service standards.

DOCKET NO. 991378-TL
ORDER NO. PSC-01-1368-PHO-TL
ISSUED: June 26, 2001

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on June 11, 2001, in Tallahassee, Florida, before Commissioner Braulio L. Baez, as Prehearing Officer.

APPEARANCES:

JACK SHREVE, PUBLIC COUNSEL, and STEVE BURGESS, DEPUTY PUBLIC COUNSEL, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of Citizens of Florida.

NANCY B. WHITE, ESQUIRE, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301
On behalf of BellSouth Telecommunications, Inc.

E. EARL EDENFIELD, 675 West Peachtree Street, Suite 4300, Atlanta, Georgia 30375
On behalf of BellSouth Telecommunications, Inc.

WAYNE D. KNIGHT, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff.

PREHEARING ORDER

DOCUMENT NUMBER-DATE

07909 JUN 26 2001

FPSC-RECORDS/REPORTING

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

On September 10, 1999, this docket was established to require BellSouth Telecommunications, Inc. (BellSouth) to show cause why it should not be fined for failure to meet certain quality of service standards set forth in Chapter 25-4, Florida Administrative Code. On September 17, 1999, the Office of Public Counsel (OPC) filed its Notice of Intervention. On September 17, 1999, BellSouth filed an offer of settlement to resolve this matter. By proposed agency action Order No. PSC-99-2207-PAA-TL, issued November 9, 1999, we approved BellSouth's offer of settlement. On November 30, 1999, OPC filed a timely protest of the Order, and the matter was set for hearing. By Order No. PSC-99-2492-PCO-TL, issued December 20, 1999, we acknowledged OPC's Notice of Intervention.

By Order No. PSC-00-1027-PCO-TL, Order Establishing Procedure, issued May 23, 2000, the procedural requirements and filing schedule were established for this proceeding. On July 21, 2000, the parties filed a joint motion for continuance of the schedule. By Order No. PSC-00-1381-PCO-TL, that motion was granted. On September 26, 2000, a scheduling conference was held to address procedural due dates, and to set forth a new schedule for the completion of the case. Based on the requests of both parties, the controlling dates in the matter required further modification in order to allow an adequate period for discovery. Accordingly, Order No. PSC-00-2158-PCO-TL was issued, modifying the controlling dates. That Order provided, in part, that BellSouth would prefile rebuttal testimony and exhibits on January 12, 2001, and OPC and Commission staff would prefile surrebuttal testimony and exhibits on February 16, 2001.

On January 30, 2001, BellSouth and OPC filed a Joint Motion for an Extension of Time in which to File Testimony in this case. The parties requested that the testimony filing dates be extended. The reason stated was that the extension would give parties an opportunity to address and/or resolve the issues in this case. The

parties stated that they would continuing to work diligently toward a resolution. By Order No. PSC-01-0394-PCO-TL, issued February 16, 2001, the request was granted.

Thereafter, on March 20, 2001, the parties filed a Joint Motion for a three month continuance of the docket. Therein, they stated that they were continuing to work towards a resolution of this docket, but that additional time would be necessary. By Order No. PSC-01-0813-PCO-TL, issued March 28, 2001, the motion was granted, in part, and denied it, in part. The parties were given an additional 60 days in which to negotiate, and the procedural dates were adjusted.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(4), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183(4), Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any party intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- a) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183(4), Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the

proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so

answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Phil Trubelhorn	Staff	1, 2, 3, 4, 5, and 6
R. Earl Poucher	OPC	1, 2, 3, 4, 5, and 6
Joseph P. Lacher*	BellSouth	1, 2, 3, 4, 5, and 6
<u>Surrebuttal</u>		
R. Earl Poucher	OPC	1, 2, 3, 4, 5, and 6

*Presenting Direct and Rebuttal Testimony.

VII. BASIC POSITIONS

OPC:

BellSouth willfully violated the Commission's out of service repair rule 1113 times during 1996, 1064 times during 1997, 988 times during 1998, and 1110 times during 1999, for a total of 4275 willful violations during the four year period. BellSouth also willfully violated the Commission's installation rule 317 times during 1996, 473 times during 1997, 645 times during 1998, and 610 times during 1999, for a total of 2045 willful violations during the same period. Finally, BellSouth willfully violated the Commission answer time rule 46 out of 48 months for the business repair centers, and 39 out of 48 months for the residential repair centers.

These repeated, continuous violations over the four year period reflect BellSouth's decision to place profits before

service and to deliberately ignore the service requirements of the Commission.

The Commission should fine BellSouth \$25 million for each of the four years of its repeated, willful violations. Such a fine would send a message that the Commission will not condone the willful violation of its service rules by a company that chooses to place profits before meeting minimum customer service standards.

BELLSOUTH:

BellSouth has not, through policy, business decision processes or intent, willfully violated the service rules and standards of the Florida Public Service Commission. BellSouth provides excellent service to its customers in Florida.

STAFF:

Staff's positions are preliminary and based on materials filed by the parties, Staff's service quality evaluations, and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions. Staff believes that BellSouth Telecommunications, Inc. (BellSouth), during the period of January 1996 through December 1999, was in violation of Rule 25-4.070(3)(a), Florida Administrative Code, which requires restoration of interrupted service within 24 hours of report for 95% of the repairs in each exchange; Rule 25-4.073(1)(d), Florida Administrative Code, which requires 95% of all calls to repair services to be transferred to a live attendant within 55 seconds when utilizing a menu driven, automated, interactive answering system; Rule 25-4.073(1)(d), Florida Administrative Code, which requires 85% of all calls to the business office to be transferred to a live attendant within 55 seconds when utilizing a menu driven, automated, interactive answering system; Rule 25-4.066(2), Florida Administrative Code, which requires 90% of all requests for primary service in any calendar month to be satisfied within three working days; Rule 25-4.070(1)(b), Florida Administrative Code, which requires rebates to be issued to

customers whose service is interrupted other than by a negligent or willful act of the subscriber and it remains out of service in excess of 24 hours after the report; and Rule 25-4.070(3)(b), Florida Administrative Code, which requires that clearing of service affecting trouble reports be scheduled to insure that at least 95% are cleared within 72 hours of the report. During the period in question, Staff has determined that BellSouth had 4,275 violations of Rule 25-4.070(3)(a), 132 aggregate violations of Rule 25-4.073(1)(d), 2,045 violations of Rule 25-4.066(2), 72 violations of Rule 25-4.070(1)(b), and 567 violations of 25-4.070(3)(b).

VIII. ISSUES AND POSITIONS

- ISSUE 1:** (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.070(3)(a), Florida Administrative Code, which requires restoration of interrupted service within 24 hours of report?
- (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.
- (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth willfully violated the Commission's out of service repair rule 1113 times during 1996, 1064 times during 1997, 988 times during 1998, and 1110 times during 1999, for a total of 4275 willful violations during the four year period. The Commission should fine BellSouth in the aggregate \$25 million per year for willful violation of all of the rules at issue in this proceeding. The Commission should consider that the rule violations took place on a continuous basis over the four year

period; that the reason for the violations was BellSouth's decision to place profits over compliance with the Commission's minimum service standards; and that BellSouth could have complied at any time by committing the resources required to meet the Commission's rules.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's action were not willful.
- (b) The Settlement previously accepted by the Staff and the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the Attorney General's office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.070(3)(a), Florida Administrative Code.
- (b) There were 4,275 violations of Rule 25-4.070(3)(a), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.
- (c) Staff's preliminary position is that nothing outside Force Majeure should be considered a mitigating factor in the violation of a service rule.

- ISSUE 2:**
- (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.073(1)(d), Florida Administrative Code, which requires 95% of all calls to repair services to be transferred to a live attendant within 55 seconds when utilizing a

menu driven, automated, interactive answering system?

- (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.
- (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth willfully violated the Commission's repair services answer time rule 18 times during 1996, 23 times during 1997, 20 times during 1998, and 24 times during 1999, for a total of 85 willful violations during the four year period. The Commission should fine BellSouth in the aggregate \$25 million per year for willful violation of all of the rules at issue in this proceeding. The Commission should consider that the rule violations took place on a continuous basis over the four year period; that the reason for the violations was BellSouth's decision to place profits over compliance with the Commission's minimum service standards; and that BellSouth could have complied at any time by committing the resources required to meet the Commission's rules.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's actions were not willful.
- (b) The settlement previously accepted by the Staff and the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the

Attorney General's Office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.073(1)(d), Florida Administrative Code.
- (b) There were 85 violations of Rule 25-4.073(1)(d), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.
- (c) Staff's preliminary position is that nothing outside Force Majuere should be considered a mitigating factor in the violation of a service rule.

- ISSUE 3:**
- (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.073(1)(d), Florida Administrative Code, which requires 85% of all calls to the business office to be transferred to alive attendant within 55 seconds when utilizing a menu driven, automated, interactive answering system?
 - (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.
 - (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth willfully violated the Commission's business office answer time rule 12 times during 1996, 12 times during 1997, 11 times during 1998, and 12 times during 1999, for a total of 47 willful violations during the four year period. The Commission should fine BellSouth in the aggregate \$25 million per year for willful violation of all of the rules at issue in this proceeding. The Commission should consider that the rule violations took place on a continuous basis over the four year period; that the reason for the violations was BellSouth's decision to place profits over compliance with the Commission's minimum service standards; and that BellSouth could have complied at any time by committing the resources required to meet the Commission's rules.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's actions were not willful.
- (b) The settlement previously accepted Staff and by the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the Attorney General's office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.073(1)(d), Florida Administrative Code.
- (b) There were 47 violations of Rule 25-4.073(1)(d), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.

- (c) Staff's preliminary position is that nothing outside Force Majeure should be considered a mitigating factor in the violation of a service rule.

- ISSUE 4:** (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.066(2), Florida Administrative Code, which requires 90% of all requests for primary service in any calendar month to be satisfied within three working days?
- (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.
- (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth willfully violated the Commission's installation of service rule 317 times during 1996, 473 times during 1997, 645 times during 1998, and 610 times during 1999, for a total of 2045 willful violations during the four year period. The Commission should fine BellSouth in the aggregate \$25 million per year for willful violation of all of the rules at issue in this proceeding. The Commission should consider that the rule violations took place on a continuous basis over the four year period; that the reason for the violations was BellSouth's decision to place profits over compliance with the Commission's minimum service standards; and that BellSouth could have complied at any time by committing the resources required to meet the Commission's rules.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's actions were not willful.
- (b) The settlement previously accepted by the Staff and the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the Attorney General's office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.066(2), Florida Administrative Code.
- (b) There were 2,045 violations of Rule 25-4.066(2), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.
- (c) Staff's preliminary position is that nothing outside Force Majeure should be considered a mitigating factor in the violation of a service rule.

ISSUE 5:

- (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.070(1)(b), Florida Administrative Code, which requires rebates be issued to customers whose service is interrupted other than by a negligent or willful act of the subscriber and it remains out of service in excess of 24 hours after being reported to the company?
- (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.

- (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth violated this rule 72 times during the four year period.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's actions were not willful.
- (b) The settlement previously accepted by the Staff and the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the Attorney General's office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.070(1)(b), Florida Administrative Code.
- (b) There were 72 violations of Rule 25-4.070(1)(b), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.
- (c) Staff's preliminary position is that nothing outside Force Majeure should be considered a mitigating factor in the violation of a service rule.

- ISSUE 6:** (a) During the period of January 1996 through December 1999, was BellSouth Telecommunications, Inc. in wilful violation of Rule 25-4.070(3)(b), Florida Administrative Code, which requires that clearing of service affecting trouble reports be scheduled to insure at least 95% are cleared within 72 hours of report?
- (b) If so, how many violations were there, if any, and what is the appropriate action, penalty, and/or fine amount to be imposed by the Commission for any violations.
- (c) In determining the appropriate action to be taken, if any, for violation of a service rule, what factors in mitigation or aggravation, if any, should be considered?

POSITIONS

OPC:

BellSouth violated this rule 567 times during the four year period.

BELLSOUTH:

- (a) No. While BellSouth experienced problems meeting the standard, BellSouth's actions were not willful.
- (b) The settlement previously accepted by the Staff and the Commission should stand.
- (c) There are several mitigating factors that should be taken into account, including but not limited to, the impact of the 1992 Settlement Agreement between BellSouth and the Attorney General's office, the difficulty in hiring additional employees, the attrition rate, Acts of God, and the effect of misses in smaller exchanges.

STAFF:

- (a) Staff believes that BellSouth did willfully violate Rule 25-4.070(3)(b), Florida Administrative Code.
- (b) There were 567 violations of Rule 25-4.070(3)(b), Florida Administrative Code. Staff believes the appropriate penalty should be comparable to that imposed in similar cases.
- (c) Staff's preliminary position is that nothing outside Force Majuere should be considered a mitigating factor in the violation of a service rule.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
			<u>Direct</u>
Phil Trubelhorn	Staff	_____ (PRT-1)	Florida Administrative Code Rule citations for the service rules violated by BellSouth Telecommunications, Inc.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Phil Trubelhorn	Staff	<hr/> (PRT-2)	Graphs of BellSouth's Periodic Reports (Schedules 2 & 11) for 1996 through 1999 showing the number of exchanges that missed the standards for installation of new primary service and restoration of interrupted service.
		<hr/> (PRT-3)	Graphs of BellSouth's Periodic Reports (Schedules 15 & 16) for 1996 through 1999 showing the answer time results for the business office and repair services.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Phil Trubelhorn	Staff	_____ (PRT-4)	Results of staff's service quality evaluations of BellSouth from 1996 through 1999 involving rebates issued for service interrupted in excess of 24 hours.
		_____ (PRT-5)	Graphs of BellSouth's Periodic Reports (Schedule 11) for 1996 through 1999 showing the number of exchanges that missed the clearing of service affecting trouble reports standard.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Phil Trubelhorn	Staff	_____ (PRT-6)	Table of the Rules Violated and the Total Number of Reported Violations from January 1, 1996 through December 31, 1999.
R. Earl Poucher	OPC	_____ (REP-1)	BellSouth, Verizon, Sprint installation violations
		_____ (REP-2)	BellSouth, Verizon, Sprint repair violations
		_____ (REP-3)	BellSouth, Verizon, Sprint installation 1996-1999
		_____ (REP-4)	BellSouth, Verizon, Sprint repair 1996-1999
		_____ (REP-5)	1999 Force Additions
		_____ (REP-6)	Network Head Count

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
R. Earl Poucher	OPC	_____	Total Service
		(REP-7)	Representatives
		_____	No documents
		(REP-8)	exist
		_____	Mulcahy Letter
		(REP-9)	1/10/00
		_____	Mulcahy Letter
		(REP-10)	1/8/98
		_____	South Florida
		(REP-11)	Performance
			vs. Small
			Company
			Performance
		_____	Large Company
		(REP-12)	Performance
		_____	Access Line
		(REP-13)	Forecasts
		_____	Better Service
		(REP-14)	for Business
_____	Business		
(REP-15)	Revenue Growth		
_____	94 days of		
(REP-16)	Hell		
_____	Hiring Freeze		
(REP-17)	Savings		
_____	Declining		
(REP-18)	Service -		
	Consumer		
_____	Appointments		
(REP-19)	not kept		

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
R. Earl Poucher	OPC	_____	D e c l i n e -
		(REP-20)	S a t i s f i e d
		_____	C u s t o m e r s
		(REP-21)	C u s t o m e r s d o
		_____	c a r e
		(REP-22)	B e l l S o u t h
		_____	O b j e c t i v e
		(REP-23)	I n t e r v a l s
		_____	A c k e r m a n
		(REP-24)	M a n d a t e
		_____	U n a c c e p t a b l e
(REP-25)	S e r v i c e		
_____	I n t e r v a l s		
(REP-26)	S o u t h F l o r i d a		
_____	O v e r t i m e		
(REP-27)	D i r e c t E x p e n s e		
_____	P e r A c c e s s		
(REP-28)	L i n e		
_____	Y e a r 2 0 0 0		
(REP-29)	F o r c e		
_____	D e c l i n i n g		
(REP-30)	B e l l S o u t h		
_____	S e r v i c e L e v e l s		
(REP-31)	C o s t		
_____	R e d u c t i o n s		
(REP-32)	J a n u a r y , 1 9 9 9		
_____	C o n s u m e r		
(REP-33)	C o n t a c t		
_____	E m p l o y e e s		
(REP-34)	1 9 9 9 H e a d		
_____	C o u n t		
(REP-35)	C u r t a i l m e n t		

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
R. Earl Poucher	OPC	_____	Headquarter's
		(REP-32)	Budget Cut
		_____	C o n s u m e r
		(REP-33)	Organization
		_____	A t t a c k s
		(REP-34)	Network
		_____	People Short
		(REP-35)	H u m a n
		_____	R e s o u r c e s
		(REP-36)	Performance
		_____	1 9 9 9
		(REP-37)	Reductions
		_____	Hiring Freeze
		(REP-38)	Problems
_____	Training Class		
(REP-39)	Cancellations		
_____	R e v e r s i n g		
(REP-40)	Trend of		
_____	D e c l i n i n g		
(REP-41)	Service		
_____	1999 Consumer		
(REP-42)	Results		
_____	South Florida		
(REP-43)	Business Plan		
_____	BellSouth Pots		
(REP-44)	R e p a i r		
_____	Regression		
(REP-45)	Exclusions to		
_____	PSC Reports		
(REP-46)	Impact from		
_____	use of final		
(REP-47)	status time		

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
R. Earl Poucher		_____	Installation
		(REP-45)	orders for
			primary
			service
			completed w/o
			premise visits
		_____	List of new
		(REP-46)	services
		_____	J.D. Power
		(REP-47)	Award
		_____	Key factors
		(REP-48)	for customer
			satisfaction
		_____	Speed of
		(REP-49)	installation
			and repair are
			major drivers
			of customer
			satisfaction
		_____	Speed and
		(REP-50)	representative
			effectiveness
			have the most
			impact of
			customer
			satisfaction
		_____	Negligible
		(REP-51)	1999 force
			additions
Joseph P. Lacher	BellSouth	_____	1992 Attorney
		(JPL-1)	General
			Settlement
			Agreement

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Joseph P. Lacher	BellSouth	_____ (JPL-2)	L e t t e r s P e r t a i n i n g t o B e l l S o u t h S e r v i c e
		_____ (JPL-3)	A c c e s s I n d i c a t o r s S t u d y S u m m a r y R e p o r t

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. CONFIDENTIALITY MATTERS

In its prehearing statement, OPC noted that:

All testimony is currently confidential in its entirety because BellSouth claims the testimony contains confidential information. However, BellSouth has yet to make any specific showing of confidentiality.

Verizon made similar initial claims in docket 990362, but like BellSouth here, Verizon never supported the claims in that docket. In that case the Prehearing Officer gave Verizon a chance to make specific claims of confidentiality, but after Verizon failed to make any specific showings, the Prehearing Officer ruled that all of the testimony, exhibits, and depositions in that case were public records.

Citizens urge the Prehearing Officer to immediately order BellSouth to make specific claims of confidentiality related to all testimony and exhibits filed in the docket, or to relinquish its claims of confidentiality. BellSouth should be ordered to make these

specific claims of confidentiality in a short time frame so that any disputes can be ruled upon well before the hearing.

In view of the amount of information in this proceeding that is currently covered by claims of confidentiality, I hereby require BellSouth to file a Specified Request for Confidentiality for the information currently covered by claims no later than Thursday, June 21, 2001. OPC is directed to provide its response, if any, in the shortest possible time to allow time for a ruling prior to the hearing.

XI. OTHER RULINGS

Opening statements, if any, shall not exceed ten minutes per party.

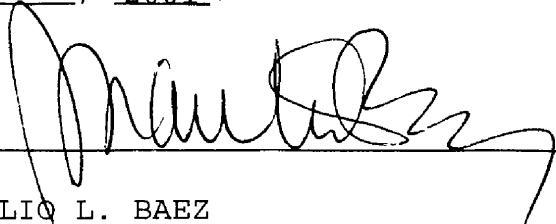
It is therefore,

ORDERED by Commissioner Braulio L. Baez, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission. It is further

ORDERED that BellSouth Telecommunications, Inc. shall file a Specified Request for Confidential Classification addressing the information in this proceeding currently covered by claims of confidentiality by June 21, 2001.

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By ORDER of Commissioner Braulio L. Baez, as Prehearing Officer, this 26th day of June, 2001.



BRAULIO L. BAEZ
Commissioner and Prehearing Officer

(S E A L)

BK/WDK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for

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reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.