

ORIGINAL

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August 7, 2002

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COMMISSION
CLERK

Mrs. Blanca S. Bayó
Director, Division of the Commission
Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **Docket No. 020129-TP: Joint Petition of US LEC of Florida, Inc., Time Warner Telecom of Florida, LP and ITC^DeltaCom, Communications objecting to and requesting suspension of proposed CCS7 Access Arrangement Tariff filed by BellSouth Telecommunications, Inc.**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Prehearing Statement, which we ask that you file in the captioned docket.

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

Sincerely,

James Meza III
James Meza III (KA)

- AUS _____
- CAF _____
- CMP _____
- COM 5
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1
- OTH _____

Enclosures

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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RLM

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE
DOCKET NO. 020129-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and U.S. Mail this 7th day of August, 2002 to the following:

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(+) Signed Protective Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of US LEC of Florida, Inc.,) Docket No.: 020129-TP
Time Warner Telecom of Florida, LP and)
ITC^DeltaCom Communications Objecting to)
And Requesting Suspension of Proposed)
CCS7 Access Arrangement Tariff filed by)
BellSouth Telecommunications, Inc.)
_____) Filed: August 7, 2002

PREHEARING STATEMENT OF BELL SOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order Establishing Procedure (Order No. PSC-02-0853-PCO-TP) issued on June 21, 2002, hereby submits its Prehearing Statement for Docket No. 020129-TP.

A. Witnesses

BellSouth proposes to call the following witness to offer testimony on the issues in this docket:

<u>Witness</u>	<u>Issue(s)</u>
Greg R. Follensbee (Rebuttal)	
Clyde L. Greene (Rebuttal)	
W. Keith Milner (Direct and Rebuttal)	2, 6, and 7
Thomas Randklev (Rebuttal)	
John A. Ruscilli (Direct and Rebuttal)	1,3,4,5,8,10 and 11

BellSouth reserves the right to call additional witnesses, witnesses to respond to Commission inquiries not addressed in direct testimony and witnesses to address issues not presently designated that may be designated by the Prehearing Officer at the prehearing conference to be held on August 19, 2002. BellSouth has listed the witnesses for whom BellSouth believes testimony will be filed, but reserves the right to supplement that list if necessary.

B. Exhibits

Greg R. Follensbee	GRF-1	Diagram (LMS-Link Monitoring Systems)
	GRF-2	Diagram (LMS-Link Monitoring Systems)
John A. Ruscilli (Rebuttal)	JAR-1	PROPRIETARY - price out package demonstrating revenue neutrality pages 00001 thru 00061
	JAR-2	Memorandum from Susan Ollila to Commissioners Johnson, Deason, Clark, Kiesling, and Garcia dated October 1, 1997 RE: 1997 Flow-Through of LEC Switched Access Reductions by IXCs Pages 00019 and 00020

BellSouth reserves the right to file exhibits to any testimony that may be filed under the circumstances identified in Section "A" above. BellSouth also reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and Rules of this Commission.

C. Statement of Basic Position

CCS7 provides a signaling functionality for call routing and completion as well as access to various databases. BellSouth's CCS7 Access Arrangement service offering allows for customers to interconnect to BellSouth at designated Signal Transfer Points ("STPs") for use with services that require receiving and terminating signaling information using the common channel signaling protocol. BellSouth's CCS7 Tariff appropriately charges carriers for the use of these services and complies with Florida law. The Commission should reject the ALECs' attempt to avoid payment of a legitimate service that they receive and find that the Tariff is valid and should remain in effect.

D. BellSouth's Position on the Issues

Issue 1: To what kind of traffic does BellSouth's CCS7 Access Arrangement Tariff apply?

Position: Carriers choosing to obtain CCS7 service from BellSouth can use the service in relation to three types of calls: (1) interexchange calls between locations in the State of Florida and locations in other states ("interstate calls"); (2) local calls; and (3) interexchange calls between locations within the state of Florida ("non-local intrastate calls"). The CCS7 Tariff that is the subject of this proceeding does not apply to interstate calls. The Tariff may apply to local calls to the extent a carrier does not have an approved interconnection agreement with BellSouth. Consequently, the Tariff primarily applies to carriers that use BellSouth's CCS7 service in relation to non-local intrastate calls.

Issue 2: Did BellSouth provide CCS7 access service to ALECs, IXC's, and other carriers prior to filing its CCS7 Tariff?

Position: BellSouth currently provides CCS7 access service to ALECs, IXC's, independent companies, wireless companies, etc. and has been doing so for a number of years. Until recently, however, BellSouth has been unable to count individual ISUP and TCAP messages that are transported by BellSouth for another carrier. Thus, until

BellSouth developed the ability to count such messages, BellSouth was unable to bill third parties on a per message basis for this service that it was providing them.

Issue 3: Is BellSouth's CCS7 Access Arrangement Tariff revenue neutral? Why or why not?

Position: Yes. BellSouth's CCS7 Tariff is revenue neutral because revenue projections for this service have been offset by the reductions BellSouth made to the Local Switching rates reflected in Section E6.8.2 of BellSouth's Intrastate Access Tariff, as well as reductions made in BellSouth's interconnection for mobile service provider offering reflected in Section A35.1 of BellSouth's Florida General Subscriber Service Tariff.

Issue 4: Does BellSouth's CCS7 Access Arrangement Tariff violate Section 364.163 or any other provisions of Chapter 364, Florida Statutes?

Position: No. BellSouth's CCS7 Tariff complies with Chapter 364, Florida Statutes.

Issue 5: What does BellSouth charge subscribers under the CCS7 Access Arrangement Tariff for the types of traffic identified in Issue 1?

Position: There are three types of rates and charges that apply to BellSouth's CCS7 offering: (1) monthly rates (CCS7 Signaling Connection, per 56 kpbs

facility at \$155.00; CCS7 Signaling Termination, per STP port at \$377.05); (2) one-time charges (CCS7 Signaling Connection, per 56 kpbs connection at \$150.00; CCS7 Point Code Establishment or Change – Originating Point Code [\$40.00 first, \$8.00 additional], Per Destination Point Code [\$8.00 first, \$8.00 additional]); and (3) usage charges (ISUP per message - \$.000035, TCAP per message - \$.000123).

Issue 6: Is more than one carrier billed for Integrated Services Digital Network User Part (ISUP), for the same segment of any given call, under the BellSouth CCS7 Access Arrangement Tariff? If so, is it appropriate?

Position: Yes. The CCS7 Tariff provides for billing when BellSouth's CCS7 network is involved in the call set up. Since multiple carriers can be involved in the set up of a call, each carrier would be billed accordingly for any use it makes of BellSouth's CCS7 network. This approach is appropriate because each carrier is billed for its use of the network. Not billing all carriers for their usage results in disparate treatment.

Issue 7: Under BellSouth's CCS7 Access Arrangement Tariff, is BellSouth billing ISUP and Transactional Capabilities Application Part (TCAP) messages charges for calls that originate on an ALEC's network and terminate on BellSouth's Network? If so, is it appropriate?

Position: BellSouth's CCS7 Tariff allows BellSouth to bill for a carrier's use of the network regardless of which direction CCS7 messages are sent. Accordingly, it is

appropriate for BellSouth to bill for each use of the network, regardless of the direction of the query.

Issue 8: **What is the impact, if any, of BellSouth's CCS7 Access Arrangement Tariff on subscribers? Does such impact, if any, affect whether BellSouth's CCS7 Access Arrangement Tariff should remain in effect?**

Position: The only potential impact the CCS7 Tariff may have on the Tariff subscribers is that they will now have to pay for service that previously they were receiving for free. Whether or not the payment of the services associated with the CCS7 network will result in ALECs raising their traffic sensitive rates is not a legitimate reason to invalidate the CCS7 Tariff. The possibility that a business customer who pays increased rates and thus may raise the prices of the goods and services they sell to others is simply a characteristic of a free market economy and not a valid basis for denying a proposed rate change.

Issue 9: **Does BellSouth bill ILECs for the signaling associated with the types of traffic identified in Issue 1? (a) If not, why not? (b) Has BellSouth offered ILECs a bill and keep arrangement for local and/or intrastate CCS7 message and B-links.**

Position: Yes. Many ILECs purchase A-links from BellSouth to get signaling on calls originated by or terminated to an end user of the ILEC. The A-links connect

end office or databases to STPs. BellSouth has not offered ILECs a bill-and-keep arrangement for CCS7 messages and B-links in Florida.

Issue 10: Should BellSouth's CCS7 Access Arrangement Tariff remain in effect? If not, what action(s) should the Florida Public Service Commission take?

Position: BellSouth's CCS7 Tariff should remain in effect. BellSouth is providing a service of value, and is entitled to compensation. BellSouth should be compensated for the ALECs' use of BellSouth's CCS7 network for non-local intrastate calls. The CCS7 Tariff also enables BellSouth to be properly compensated for use of its CCS7 capability in relation to local calls by third party hubbing vendors that do not have local interconnection agreements with BellSouth. BellSouth should not be prohibited from amending its tariffs to require the cost causer of a network access service to pay for the network access service it receives from BellSouth merely because BellSouth's tariffs had not previously set forth a charge for that network access service.

Issue 11: If the tariff is to be withdrawn, what alternatives, if any, are available to BellSouth to establish a charge for non-local CCS7 access service pursuant to Florida law?

Position: As stated above, the Tariff should not be withdrawn. If, however, the Commission decides to the contrary, the Commission should establish appropriate

procedures to be followed when introducing a charge for a network access service that is being provided but for which there is no tariffed rate. BellSouth should not be prohibited from amending its tariff to require the cost causer of a network access service to pay for the network access service it receives from BellSouth merely because BellSouth's tariffs had not previously set forth a charge for that network access service.

E. Stipulations

None.

F. Pending Motions

BellSouth is not aware of any pending motions in this matter.

G. Other Requirements

None.

Respectfully submitted this 7th day of August, 2002.

BELLSOUTH TELECOMMUNICATIONS, INC.

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