

ORIGINAL

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June 27, 2003

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

Re: 030349-TP (Supra \$75 Cash Back Promotion)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of John A. Ruscilli, 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 the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

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FPSC-BUREAU OF RECORDS

Sincerely,

E. Earl Edenfield, Jr

E. Earl Edenfield, Jr. (LA)

Enclosures

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OTH

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

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

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**CERTIFICATE OF SERVICE
DOCKET NO. 030349-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and Federal Express Overnight Mail this 27th day of June, 2003 to the following:

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E. Earl Edenfield, Jr. (KHA)

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF JOHN A. RUSCILLI
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030349-TP
JUNE 27, 2003

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is John A. Ruscilli. I am employed by BellSouth as Senior Director – Policy Implementation and Regulatory Compliance for the nine-state BellSouth region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I attended the University of Alabama in Birmingham where I earned a Bachelor of Science Degree in 1979 and a Master of Business Administration in 1982. After graduation I began employment with South Central Bell as an Account Executive in Marketing, transferring to AT&T in 1983. I joined BellSouth in late 1984 as an analyst in Market Research, and in late 1985 moved into the Pricing and Economics organization with various responsibilities for business case analysis, tariffing, demand analysis and price

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1 regulation. In July 1997, I became Director of Regulatory and Legislative
2 Affairs for BellSouth Long Distance, Inc., with responsibilities that included
3 obtaining the necessary certificates of public convenience and necessity,
4 testifying, Federal Communications Commission (“FCC”) and state regulatory
5 support, federal and state compliance reporting and tariffing for all 50 states
6 and the FCC. I assumed my current position in July 2000.

7

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9

10 A. The purpose of my testimony is to present BellSouth’s policy positions
11 regarding the Tentative Issues List set forth in Attachment A to the Florida
12 Public Service Commission’s (“Commission’s”) Order Establishing Procedure
13 issued June 17, 2003 (*See* FPSC Order No. PSC-03-0718-PCO-TP). In
14 addition, I will briefly address an allegation made by Supra
15 Telecommunications and Information Systems, Inc. (“Supra”) that BellSouth
16 uses carrier-to-carrier information in its retail division to winback customers
17 that have switched to an Alternative Local Exchange Carrier (“ALEC”). (*See*
18 Complaint by Supra Telecommunications and Information Systems, Inc.
19 against BellSouth Telecommunications, Inc. Regarding BellSouth’s Use of
20 Carrier to Carrier Information, filed April 18, 2003) (“Complaint”).

21

22 *Issue 1: Whether BellSouth can share carrier-to-carrier information, acquired*
23 *from its wholesale OSS and/or wholesale operations, with its retail division to*
24 *market to its current and potential customers?*

25

1 *Issue 2: Whether BellSouth can use carrier-to-carrier information, acquired from*
2 *its wholesale OSS and/or wholesale operations, to furnish leads and/or marketing*
3 *data to its in-house and third party marketers?*

4

5 Q. WHAT IS BELLSOUTH'S POSITION ON THESE ISSUES?

6

7 A. BellSouth does not share carrier-to-carrier information, acquired from its
8 wholesale OSS and/or wholesale operations, to its retail division (either in-
9 house or third-party marketers) to use to market to its current and potential
10 customers or to use as leads and/or marketing data.

11

12 Q. HAS THE COMMISSION PREVIOUSLY RULED THAT BELLSOUTH IS
13 PROHIBITED SHARING WHOLESale INFORMATION WITH ITS
14 RETAIL DIVISION?

15

16 A. Yes. The Commission determined in its June 28, 2002 order in Docket No.
17 020119-TP, that BellSouth is prohibited from sharing information with its
18 retail division, such as informing the retail division when a customer is
19 switching from BellSouth to an ALEC. (*See* FPSC Order No. PSC-02-0875-
20 PAA-TP at page 21). More recently in its June 19, 2003 Order in Docket Nos.
21 020119-TP, 020578-TP, and 021252-TP ("Key Customer Order"), the
22 Commission reaffirmed its previous finding when it examined BellSouth's
23 policies concerning Customer Proprietary Network Information ("CPNI") and
24 use of wholesale information, concluding that it was "satisfied that BellSouth

25

1 has the appropriate policies in place.”. (See FPSC Order No. PSC-03-0726-
2 FOF-TP at page 47)

3

4 Q. WHAT IS BELLSOUTH’S POLICY REGARDING THE SHARING OF
5 WHOLESALE INFORMATION WITH ITS RETAIL DIVISION?

6

7 A. It is the policy of BellSouth to treat all CPNI and Wholesale Information in a
8 confidential manner. Wholesale Information is information that BellSouth has
9 in its possession because it provides services to other carriers that provide
10 services to end user customers.

11

12 Further, it is the policy of BellSouth to limit disclosure and the use of CPNI
13 and Wholesale Information in a manner consistent with the requirements of the
14 FCC rules, Section 222 of the Act, and any applicable state or local
15 requirement. All employees of BellSouth who may have access to either CPNI
16 or Wholesale Information receive annual training with respect to the proper use
17 of and access to such information. It is against BellSouth policy for any
18 employee or authorized representative of BellSouth to misuse wholesale
19 information. It is the policy of BellSouth that no BellSouth personnel shall
20 access any BellSouth Information Technology (“IT”) system unless that person
21 has a legitimate and authorized business purpose for such access. Without
22 limitation, this means that BellSouth personnel are prohibited from “system
23 surfing” just to see what information is available. BellSouth’s wholesale
24 operations do not provide leads to its retail operations. Any information used
25 by BellSouth’s retail operations to develop lists of former customers that are

1 potentially eligible for promotional offerings are obtained from retail
2 information sources – not wholesale sources.

3

4 *Issue 3: Has BellSouth shared and/or used carrier-to-carrier information,*
5 *acquired from its wholesale OSS and/or wholesale operations, in its retail division,*
6 *with its in-house marketers and/or third party marketers for marketing purposes?*
7 *If such practices are improper, what penalties should be imposed?*

8

9 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

10

11 A. BellSouth has not shared and/or used carrier-to-carrier information, acquired
12 from its wholesale OSS and/or wholesale operations, in its retail division, with
13 its in-house marketers and/or third party marketers for marketing purposes. As
14 I stated above, it is against BellSouth policy for any employee or authorized
15 representative of BellSouth to misuse wholesale information.

16

17 Q. IN ITS COMPLAINT SUPRA ALLEGES THAT BELLSOUTH UTILIZES A
18 COMPUTER PROGRAM KNOWN AS "OPERATION SUNRISE" TO
19 IMPROPERLY PROVIDE INFORMATION TO ITS RETAIL GROUP.
20 WHAT IS "OPERATION SUNRISE"?

21

22 A. Operation Sunrise was developed to be used to identify three different groups
23 of customers. One group of customers was residential customers that switched
24 their local toll service (intraLATA toll) from BellSouth. Information regarding
25 this group of customers was used to re-acquire local toll customers. A second

1 group was those BellSouth residential customers that downgraded from a
2 package service. BellSouth used information regarding this second group to
3 attempt to sell additional services or packages. The third group of customers
4 was former BellSouth residential local service customers. Information
5 generated for this group of customers was used to send an “acknowledgement
6 of switch” letter.

7
8 Q. HOW DO YOU RESPOND TO SUPRA’S ALLEGATIONS THAT
9 BELLSOUTH IS USING CARRIER-TO-CARRIER INFORMATION TO
10 INFORM ITS RETAIL DIVISION WHEN A CUSTOMER IS SWITCHING
11 FROM BELLSOUTH TO AN ALEC?

12
13 A. Supra’s allegations are baseless. BellSouth does not use wholesale
14 information to inform its retail division when a customer is switching from
15 BellSouth to an ALEC. The information BellSouth’s retail division uses to
16 target possible “winback” activity is obtained from the retail customer’s
17 records after the disconnection of the retail customer’s BellSouth local service.
18 When a BellSouth end users’ local service is disconnected a “Disconnect
19 Reason” code (“DCR”) is reflected on the disconnect order. This DCR
20 provides an indication as to why the end users’ service is being disconnected.
21 A few examples of possible disconnect reasons are moving, deceased, no
22 further use, changing local service providers, and bankruptcy. Upon
23 completion of the disconnect order, those retail customers whose records
24 reflect a non-competitive disconnect reason code are removed and the
25 remaining retail customers are assumed to be customers that switched to a

1 local service provider other than BellSouth. It is this “disconnect report”,
2 generated after the completion of any disconnect requests, that BellSouth’s
3 retail division uses in its winback marketing efforts.

4
5 Q. IS THE PROCESS YOU DESCRIBED ABOVE FOR THE GENERATION
6 OF THE “DISCONNECT REPORT” COMPLIANT WITH PREVIOUS
7 RULING OF THIS COMMISSION AND THE FCC?

8
9 A. Yes. In fact the Commission relied upon a recent FCC Order in its Key
10 Customer Order, citing to FCC Order 03-42, issued March 17, 2003 and
11 specifically quoting, in part, paragraph 27: “We clarify, to the extent that the
12 retail arm of an executing carrier obtains carrier change information through its
13 normal channels in a form available throughout the retail industry, and after the
14 carrier change has been implemented (such as in disconnect reports), we do not
15 prohibit the use of that information in executing carriers’ winback efforts.”
16 (Key Customer Order, at page 47) (Emphasis added) It is clear that
17 BellSouth’s process for providing disconnect reports to its retail division is
18 consistent with rulings of this Commission and the FCC.

19
20 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

21
22 A. Yes.

23
24 (#495479)

25