



JACK SHREVE
PUBLIC COUNSEL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400
904-488-9330

ORIGINAL
FILE COPY

August 7, 1990

Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0850

Re: Docket No. 891194-TI

Dear Mr. Tribble:

Enclosed for filing in the above-captioned proceeding on behalf of the Citizens of the State of Florida are the original and 12 copies of Citizens' Motion to Compel, and request for In Camera Inspection of Documents to be filed in this docket.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU Enclosure
- CTR _____
- EAG _____
- LEG *LW/m*
- LIN *6*
- OPC _____
- RCH _____
- SEC _____

Sincerely,

Darlene Driscoll
Darlene Driscoll

WAS
RECEIVED & FILED
BY *[Signature]*
FPSO-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
07107 AUG-7 1990
FPSO-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filings by) Docket No. 891194-TI
SOUTHERN BELL TELEPHONE AND TELEGRAPH) Filed: August 7, 1990
COMPANY clarifying when a nonpublished)
number can be disclosed and introducing)
Caller ID to TouchStar Service)
_____)

MOTION TO COMPEL, AND
REQUEST FOR IN CAMERA INSPECTION OF DOCUMENTS

The Citizens of Florida ("Citizens"), by and through Jack Shreve, Public Counsel, move the Commission to compel Southern Bell Telephone and Telegraph Company ("Southern Bell") to produce each document in the possession, custody, or control of the corporations BellSouth Services, Inc., and BellSouth Corporation responsive to the Citizens' First and Second Requests for Production of Documents dated June 19, 1990, and June 21, 1990, respectively. In addition, the Citizens respectfully request the Commission to conduct an in camera inspection of all documents, or portions of documents, withheld by Southern Bell based on a claim of attorney-client privilege or irrelevancy.

1. The Citizens served their First and Second Requests for Production of Documents to Southern Bell, BellSouth Services, and BellSouth Corporation on June 19, 1990, and June 21, 1990, respectively. Southern Bell filed its responses and objections on July 24, 1990, and July 26, 1990.

2. Without identifying any specific documents, Southern Bell refused to produce any documents constituting an exchange of correspondence that would constitute an attorney-client communication which is privileged.

3. The first instruction in both of the Citizens' requests for production of documents dealt with claims of privilege. This instruction stated:

"(1) Please furnish a list identifying each document for which privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, subject matter of the documents, and the basis upon which such privilege is claimed."

Southern Bell followed none of these instructions and provided no information whatsoever to back up its claim of privilege. Where a claim of privilege is made, the fact finding tribunal should hold an in camera inspection to review the discovery requested and to determine whether assertion of the privilege is valid. Austin v. Barnett Bank of South Florida, N.A., 472 So.2d 830 (4th DCA 1985); Boca Raton Hotel and Club v. Dunn, 15 F.L.W. D1742 (4th DCA July 13, 1990). The Commission should require Southern Bell to identify the documents and provide the specific information requested in the Citizens' requests for production of documents where Southern Bell claims a privilege. In addition, once Southern Bell provides the information requested to back up its claim of privilege, the

Citizens request the Commission to hold an in camera inspection of the documents to determine whether the assertion of the privilege is valid.

4. Both of Southern Bell's objections also inform the Citizens that they have either not provided documents responsive to the requests which Southern Bell deems to be irrelevant, or Southern Bell has purged information it determined was irrelevant from the documents it was willing to produce. Southern Bell did not identify the documents it withheld or the portions of the documents it purged based on this claim. Indeed, Southern Bell provides no justification whatsoever for this action, other than to inform the Citizens that it has either refused to provide or has purged information from documents it deems to be irrelevant.

5. The Citizens request the Commission to deny this objection as inadequate on its face because it simply gives Southern Bell's conclusion without any supporting basis whatsoever. It does not even identify those documents withheld or the portions of those documents redacted based on this claim. In the alternative, if the Commission is willing to entertain this objection without further substantiation from Southern Bell, the Citizens request the Commission to order Southern Bell to identify all documents it refused to produce and to identify the portions of all documents which have been purged of information by Southern Bell. In addition, the Citizens request the Commission to conduct

an in camera inspection of the documents to test the validity of Southern Bell's claim of privilege.

6. Finally, Southern Bell's two objections informed the Citizens that it would not provide documents responsive to the Citizens' requests which were in the possession of the corporations BellSouth Services, Inc., or BellSouth Corporation. With respect to BellSouth Services, Inc., Southern Bell produced documents only to the extent BellSouth Services, Inc., was acting on behalf of Southern Bell. With respect to BellSouth Corporation, Southern Bell would not even do that much. Instead, such documents were produced only to the extent they were actually in the possession of Southern Bell itself.

7. Documents in the possession of Southern Bell already show an intricate, involved relationship between Southern Bell, BellSouth Services, Inc., and BellSouth Corporation concerning the way Southern Bell would offer Caller I.D. Attachment I is a letter dated November 1, 1988 addressing a BellSouth Services position on the delivery of a calling party's number. It states that the BellSouth policy is to deliver all numbers. But the letter then goes on to state:

"As before, Southern Bell has a different recommendation. We still feel strongly that private listing customers be allowed to inhibit their calls on a per call basis." (underlining contained in original document).

Thus, this letter identifies a very different Southern Bell position than the one it is now pursuing.

8. Attachment II shows the reason why Southern Bell's position is now so drastically different than the position it held in November, 1988. Attachment II is a letter from Allan Price, Assistant Vice President, Regulatory Matters, discussing the results of a December Regional Marketing Council meeting. This council determined that the BellSouth position would be to support the provision of all telephone numbers to subscribers of Caller I.D. services, not the position espoused by Southern Bell only two months before. Thus, it appears BellSouth overruled Southern Bell, leading to Southern Bell's present position on Caller I.D. blocking.

9. Attachment III is a letter dated one week later from Linda Linn, Carrier and Public Services Management, BellSouth Services, Inc., backing up the overruled Southern Bell position. Her paper argues strongly in favor of providing a blocking capability for Southern Bell customers with nonpublished directory listings. The January 19, 1989 cover letter to her paper laments that the purpose of her paper has been nullified because of a

"Corporate" decision to pursue marketing calling number delivery type services without blocking.

10. BellSouth Corporation continued to remain intimately involved with Caller I.D. service later in 1989. Attachment IV is a memo from P. H. Casey, Vice President and Comptroller of BellSouth Corporation, addressing media advertisements about Caller I.D. His letter expresses concern about the perception of annoyance call handling relief to be gained from the availability of Call Trace and Caller I.D. features. It also expresses concern with furnishing the name and address of offending telephone subscribers to customers. The letter concludes by stating that "we" are continuing to address our concerns with the TouchStar Task Force and company legal organization and that "we" fully support implementation of the TouchStar program in BellSouth, but that "we" feel it is important that our customers and employees do not develop misconceptions as the result of media advertisements or employee information sources.¹

11. These documents lead to the conclusion that BellSouth Services, Inc., and BellSouth Corporation are "acting as one" for the purpose of Southern Bell's Caller I.D. proposal, and that these affiliates of Southern Bell are therefore open to requests for production of documents.²

¹The term "we" apparently refers to BellSouth Corporation.

²Medivision of East Broward, Inc., v. H.R.S., 488 So.2d 886

12. As the Commission knows, there are other webs of interrelationships between Southern Bell, BellSouth Services, Inc., and BellSouth Corporation. Attachment V is an excerpt from the BellSouth cost allocation manual showing some of these relationships. For example, Southern Bell receives a host of services from BellSouth Corporation on a daily basis, including:

1. Executive support.
2. Accounting and tax services.
3. Public relations related to financial advertising and media information.
4. Public affairs involving federal regulatory and federal legislative activities.
5. Legal assistance on taxes, anti-trust, federal matters.
6. Personnel services related to employment, labor relations, relocation, wages, salaries, benefits and assessments.
7. Regional planning services.
8. Financial services.

13. Attachment V also reveals a large list of services provided by BellSouth Services, Inc., to Southern Bell on a daily basis. These services do not come for free. In 1988 alone, BellSouth Corporation charged Southern Bell \$57 million for its

(Fla. 1st DCA 1986)

services, and BellSouth Services charged Southern Bell \$874 million for its services.³

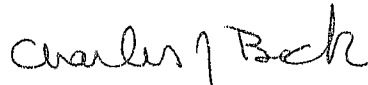
14. Therefore, for the purpose of responding to requests for production of documents in this case, Southern Bell acts as one with BellSouth Services, Inc., and BellSouth Corporation. Under the standard enunciated and Medivision of East Broward, Inc., v. H.R.S., 486 So.2d 886 (Fla. 1st DCA 1986), it is entirely appropriate to include both BellSouth Services, Inc., and BellSouth Corporation as corporations required to respond to the requests for production of documents. Indeed, the tie between Southern Bell, BellSouth Services, Inc., and BellSouth Corporation is a much stronger tie than the one reviewed by the Court in Medivision. Here, the operations of the parent corporation BellSouth Corporation and the subsidiary BellSouth Services, Inc., are actually financed in large part by charges passed through by Southern Bell to its monopoly ratepayers. This is a unique circumstance not present in the Medivision case. Medivision had no such opportunity to recover the operational costs of the parent corporation and the subsidiary corporation from monopoly ratepayers.

³The Florida portion of these charges is \$25 million and \$328 million respectively. On a Florida intrastate basis, the amounts are \$18 million and \$238 million, respectively. See Southern Bell's response to the Citizens interrogatories dated May 30, 1989, in Docket No. 880069-TL, Item 6.

WHEREFORE, the Citizens respectfully request the Commission to order Southern Bell to provide documents responsive to the Citizens' requests for production of documents which are in the possession, custody or control of BellSouth Services, Inc., and BellSouth Corporation. In addition, the Citizens respectfully request the Commission to conduct an in camera inspection of the documents described in this motion.

Respectfully submitted,

JACK SHREVE
PUBLIC COUNSEL


Charles J. Beck
Assistant Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

(904) 488-9330
Attorneys for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE
Docket No. 891194-T1

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or hand-delivery to the following parties this 7th day of August, 1990.

Southern Bell Telephone and
Telegraph Company
Attn: Marshall M. Criser, III
150 S. Monroe St. #400
Tallahassee, FL 32301

Messer Law Firm
Attn: Bruce Penard
P.O. Box 1876
Tallahassee, FL 32302-1876

A Aabaco Locksmith
Attn: David Merkatz
P.O. Box 5301
Ft. Lauderdale, FL 33310

Winston Pierce
Dept. of General Services
Koger Executive Center
2737 Centerview Dr.
Knight Bldg. #110
Tallahassee, FL 32399-0950

Mike Ramage
Florida Dept. of Law Enforcement
P.O. Box 1489
Tallahassee, FL 32302

Jeffrey Cohen
Attorney for Florida Medical
Association, Inc.
P.O. Box 2411
Jacksonville, FL 32203

Angela Greene
Division of Legal Services
Fla. Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

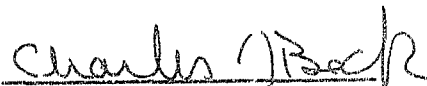
Robert A. Butterworth
Attorney General
Dept. of Legal Affairs
The Capitol
Tallahassee, FL 32399-1050

J. M. Buddy Phillips
FL Sheriff's Assoc.
P.O. Box 1487
Tallahassee, FL 32302-1487

Willis Booth
Florida Police Chiefs Assoc.
P.O. Box 14038
Tallahassee, FL 32317-4083

Charlene Carres
American Civil Liberties Union
P.O. Box 1031
Tallahassee, FL 32302

Peter Antonacci
Statewide Prosecutor
PL 01, The Capitol
Tallahassee, FL 32399



Charles J. Beck
Assistant Public Counsel

ATTACHMENT 1

Nov. 1, 1988

To: Jim Gadd

From: J.C. Edwards

Re: Calling Number Delivery: The Privacy Issue

A recommendation for Calling Number Delivery associated with CCS7 and TouchStar service is to be made at the Product Management Council on November 4. The BellSouth Services position on delivering a private number as the calling number is given in a position paper that is attached to this memo.

As you recall, there are four alternatives:

- Deliver all numbers
- Allow all customers to block delivery of their number on a per call basis
- Allow private listing customers to block delivery of their number on a per call basis
- Permanently block all private listing telephone numbers from being delivered

Bellsouth's policy, according to the postior paper, is to deliver all numbers.

As before, Southern Bell has a different recommendation. We still feel strongly that private listing customers be allowed to inhibit their calls on a per call basis.

The reasons are:

Delivering the calling number in this manner is just as marketable. Most calls are to other people one knows, and the feature will not be activated.

Southern Bell feels a commitment to the private listing customer, and wants to continue to deliver a service to them for their money.

Giving no information, or a remark the calling number delivery has been blocked, is in itself information.

We have fielded concerns from law enforcement agencies in the area who are concerned with this technology and their protection.

We are committed to the Call Monitor feature, and know it will be

a large seller with both residence and business. But, we are also committed to our customer base and to our own integrity. Therefore, the Southern Bell position should remain the same.

ATTACHMENT 2

File Code: 010.1000

Date: January 12, 1989

To: Jim Anderson
Assistant Vice President-Rates and Economics

Elair Mohon
Assistant Vice President-Revenue Requirements

Ted Kennedy
Assistant Vice President-Regulatory and Public Affairs

From: Allan Price
Assistant Vice President-Regulatory Matters

Subject: Staff Contacts for Calling Number Delivery Services

In the December Regional Marketing Council (RMC) meeting, the initial introduction of calling number delivery services was approved. The TouchStar^R feature tentatively named "Caller ID" (formerly Call Monitor) has been identified as the first calling number delivery service to be introduced by BellSouth. Current plans call for introduction of this service in the third quarter of 1989.

Prior to approving the introduction of calling number delivery services, the RMC established that BellSouth would support the provision of all telephone numbers to subscribers of these services. This would include the provision of unpublished numbers to Caller ID subscribers. BellSouth's position regarding the provision of unpublished numbers was based upon an extensive analysis of available alternatives.

In order to introduce Caller ID service in the prescribed manner, BOC regulatory action will be required. First, the Caller ID service will need to be tariffed. Secondly, it is the product team's current interpretation that existing private listing tariffs will need to be modified to allow number provision in regard to calling number delivery services.

It is the opinion of the product team and the RMC, that if we are to meet the third quarter service introduction deadline, we must begin to provide information to key stakeholders concerning this subject during the first quarter of 1989. Due to the sensitivity associated with privacy issues, the product team considers state regulators to be "key" stakeholders in regard to Caller ID service.

As a member of the TouchStar[®] product team, Don Davis of my staff was requested by the team to coordinate the information flow between the product team and your organizations. In this role, it is anticipated that my organization will meet with members of your staffs to determine the extent and type of background material that would be a necessary prerequisite prior to approaching state commissions with this matter. Once your needs are determined, Regulatory Matters will work with the product team to ensure that you are provided with all required materials. After the background material is provided to your staffs, my staff would continue to act as a conduit between your organizations and the product team to handle, in a timely manner, any questions and/or concerns that may arise from your commission contacts.

The purpose of this letter is to request the identification of the member(s) of your staff who can coordinate departmental activity regarding Caller ID service. The TouchStar[®] product team has requested that we identify all such coordinates prior to January 25, 1988. The name of your coordinate(s) can be provided verbally to Don Davis at (404) 420-8057.

Your help in this matter is greatly appreciated.

ATTACHMENT 3

Date: January 19, 1989

To: White Pages Product Team Members
From: Linda Linn, Product Manager
Subject: Position Paper on Non-Pub Listings and Right To Privacy

Attached is the final draft of the White Pages Product Team's position paper on privacy titled, "Position Paper on Non-Published (Private) Listings Service and The Privacy Issue".

A Corporate decision has been made to pursue marketing Calling Number Delivery (CND) type services delivering all telephone numbers so the original cause of this paper has been nullified, but, as courtesy, I wanted to send.

Please note that the paper is stamped "Private".

Thanks for all your support in this endeavor.

Linda

Attachment

cc: Ann Langley

January 19, 1989

Position Paper on
Non-Published (Private) Listings Service
and The Privacy Issue

The purpose of this paper is to address key issues, questions, and perspectives raised by the White Pages Directory Listings Service Product Team regarding the "privacy" issue in light of new services delivering all calling telephone numbers.

Linda Linn
Carrier and Public Services Management
BellSouth Services
January, 1989

PRIVATE

NON-DISCLOSURE DOCUMENT
DUPLICATION BY PERMISSION ONLY

Non-Published (Private) Listings Service;
The Privacy Issue

o Today's Environment

Non-List and Non-Published (Non-Pub) Listing Services are well established traditional services. With Non-List (Semiprivate) Listing Service the customer's telephone number is not published in company directories or list services, but is available in the Directory Assistance (DA) database. Non-Pub (Private) Listing Service excludes the customer's telephone number from all published or database records with the exception of the billing record. Even if someone calls Directory Customer Name and Address (CNA) with the telephone number of a non-pub customer, he/she will not be able to obtain the associated name and address because this information is excluded from the CNA database.

Why do we offer these services?

In our society, local telephone service is considered as essential as water and electricity. Because it is a "universal" service, we have structured the industry where, under standard procedures, all telephone numbers are available to everyone for obvious reasons. Over the years, enough people abused the privilege of being able to obtain any telephone number which resulted in the need for many customers to remove their telephone numbers from general access. The magnitude of complaints to the BOCs and Commissions resulted in the creation of the Non-List and Non-Pub Listing Services.

In our existing List Services and CNA Service (and in our new Direct Customer Access (DCA) Service and expanded List Services), all Non-Pub telephone numbers, with accompanying names and addresses, are excluded. The proposed Calling Number Delivery (CND) Services are the first to deviate from our pledge to protect Non-Pub information.

o Present Tariff and Interpretation

In all of the BellSouth states, section A6.4.1 of the General Subscriber Services Tariff (GSST) reads:

A6.4 Non-Published (Private) Listing

A6.4.1 General

A. A non-published listing is not listed in either the alphabetical section of the Company's directory or directory assistance records and will not be furnished upon request of a calling party.

- B. An incoming call to a subscriber with a non-published listing will be completed by the Company only when the calling party places the call by number. The Company will adhere to this practice notwithstanding any claim of emergency the calling party may present. The acceptance by the Company of the subscriber's request to furnish a non-published telephone number does not create any relationship or obligation, direct or indirect, to any person other than the subscriber.
- C. In the absence of gross negligence or willful misconduct, no liability for damages arising from publishing a non-published telephone number in the directory or disclosing said number to any person shall attach to the Company. Where a non-published listing is published in the directory, the Company's liability shall be limited to and satisfied by a refund of any monthly charges which the Company may have made for such listing. The subscriber indemnifies and saves the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-published listing or the disclosing of said listing information to any person.
- D. (DELETED)
- E. For accounting purposes, the telephone number, name, and address of a subscriber with a non-published listing will be provided to the Long Distance Carrier(s) which furnishes the subscriber long distance message telecommunications service.
- F. The telephone number, name, and address of the calling party may be displayed at a Public Safety Answering Point (PSAP) located on the premises of a customer subscribing to 911 Service, on a call-by-call basis only, for the purpose of responding to emergency calls from the non-published numbers. The subscriber forfeits his rights to privacy upon making a call to 911.
- G. The telephone number of the customer will, by necessity, be associated with data passed to CATV companies who subscribe to Pay Per View Service for the exclusive purpose of validating telephone order transactions of their clients. (only in SBT tariffs)

Certain phrases and sentences have been highlighted to emphasize those phrases of particular interest.

Interpretations, by our state regulators, of the tariff wording reinforces the understanding that we will protect the Non-Pub telephone listing from being disclosed to unauthorized persons. Who receives the non-pub telephone number is totally in the

control of the non-pub subscriber with the exceptions of 911 for emergencies, Pay Per View for billing purposes, and the selected interexchange carrier for billing purposes. As previously noted, all these exceptions are written in the tariff to protect us from claims of "willful misconduct".

If it is decided that we will deliver all telephone numbers, then the tariff wording will need to be changed. With the present tariff wording, the CND services are in violation.

o Proposed New Service Environment

The proponents of CND would like to redefine who controls the telephone calls received. With today's service, the non-pub subscriber has control over who has access to his telephone number. Under the proposed CND environment, the customer will no longer control access to his telephone number: any business or individual with a digital display telephone will have access to his number the moment he calls.

One of the CND arguments rests on the premise that the customer need not answer his telephone if he does not recognize the number displayed on his digital readout. If people only called from their own home and business telephone this might be a valid argument. But the universality of access to telephones negates this premise in its entirety: A family member stranded at a public telephone, in a hospital emergency room; a supervisor calling from the airport; the list is endless. The subscriber cannot simply discern whether an incoming call is one he/she needs to answer.

o Business Case

It is imperative that a business case be completed to identify and compare all aspects of the issues at hand before any corporate policy is established in this area. Deciding on the best course of action must be based on appropriate statistical data and market research.

A forecast of the demand and revenue contribution of the CND Service features is required.

It appears that two of the most important questions that could be asked are:

- 1) What is the worst thing that could happen to the Corporation's bottom line if all telephone numbers are delivered.
- 2) What is the best?

The worst could involve actual Non-Pub revenue losses, legal and regulatory expenses, and great damage to our relationships with state commissions and most importantly, our customers.

The best could include the actual revenues from CND features, new revenues for touch tone service and telephone equipment (customers purchasing digital display telephones), minimum Non-Pub revenue loss, and little impact on the commissions and our customers' perceptions of the corporation.

A business case should answer these important questions above and specifically provide figures for the following: (These are not to be considered all-inclusive)

- Compare demand of: 1) Offering CND services delivering all telephone numbers and, 2) CND services blocking all non-pub telephone numbers
- Quantify cross-elastic impact on non-pub revenues
- Quantify revenue contributions for Call Monitor and Call Return features of TouchStar[®]
- Quantify CND services revenue contributions that would have to be realized to justify erosion of non-pub contribution
- Determine residence and business customers' preferences, needs, reactions to change, desire for CND services with and without non-pub numbers, etc., via focus groups and surveys.
- Quantify actual costs to: 1) add blocking capabilities for all customers, 2) add blocking capabilities for all Non-Published customers, and 3) changing translations in switches to automatically block all non-pub numbers
- Quantify Advertising/Promotion expenses to inform and educate all non-pub subscribers of change
- Determine additional expenses customers would incur to subscribe to TouchStar[®] features, i.e., telephone equipment, additional Central Office services, any record change charges and/or initial subscription fees, and incremental monthly price increases (in comparison with the monthly price for Non-Pub)
- Quantify revenue contributions that would be realized if customers purchased additional equipment and services to subscribe to TouchStar
- Feedback from state attorneys and regulators as to the state commissions' reactions to our policy change for non-pub subscribers

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- Determine additional expenses customers would incur to subscribe to TouchStar[®] features, i.e., telephone equipment, additional Central Office services, any record change charges and/or initial subscription fees, and incremental monthly price increases (in comparison with the monthly price for Non-Pub)
- Quantify revenue contributions that would be realized if customers purchased additional equipment and services to subscribe to TouchStar
- Feedback from state attorneys and regulators as to the state commissions' reactions to our policy change for non-pub subscribers

o The Value of Non-Published (Private) Listings

- Why is privacy valuable to our customers?

There are many groups of people in our community who are particularly vulnerable to abuse and/or harassment by means of the telephone; the elderly, handicap, women living alone, children who are at home during the day without parental supervision (commonly referred to as 'latch key' children), and people with high public visibility. Because of the nature of the community service, many business telephone numbers need to be private. A non-pub listing is valuable to anyone experiencing real threats to their personal safety, their property, or having a need to remain anonymous.

Another aspect of the value of privacy is Telemarketing which has been so abused that consumers have been able to get legal restrictions passed in many states. This has caused the customer to become even more aware of the lack of telephone privacy.

- Why is offering privacy of value to BellSouth?

Facts about Non-Published Listings Service

* Gradual increase in revenues since 1983:

<u>Year</u>	<u>% Growth</u>	<u>Annual Revenues</u>
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These percentages and revenues are regional numbers; revenues are billed and come from the CRIS database.

* Tariffed Rates

It is our understanding that no rate changes have occurred since 1984.

There is no initial subscription charge for establishing Non-Pub numbers on new connects, however a customer changing from a standard to a private number does pay a one-time record order change charge which varies from state to state.

The average change charge is \$20.00.

- * Stage of life cycle - Growth
- * Average location life (same physical location) - for region. (SBT - 2.9 yrs. and SCB - This indicates there is base protection and/or growth in revenue due to satisfied customers.
- * As a "basic" service - generates revenues without advertising expenses.
- * Cost of providing service is minimal. No additional capital investments were required to offer this service. All expenses are related to programming costs for service orders and billing records procedures which are already in place.

When a customer requests a Non-Pub listing, the business office contact personnel enters a service indicator on the customer's billing record. This information is picked up downstream in the LSS, TRS, and CRIS systems which informs appropriate groups not to publish the number or enter it in the DA database.

- * Revenues for Non-Pub (and Non-List) is credited to the Number Services Product Group (061) in PPRS. This is because the DA operator handles all inquires for Non-Pub (and Non-List) numbers.
- * The customer is not required to purchase any additional equipment and/or services to subscribe to this service.
- * This service is affordable for all our customers.

- Benefits in addition to service earnings

- * Demonstration of sensitivity to subscriber needs
- * The Non-Pub Listing Service has been a major contributor to our customers' perception of BellSouth as a company of integrity and trustworthiness. These are invaluable assets because they are the roots of loyalty.

- What could be the effects if we do not continue to offer our customers the ability to maintain telephone number privacy?

- 1) Degradation of customer satisfaction and loyalty to BellSouth would be a real possibility
- 2) Our customers will begin to search for ways to regain privacy
- 3) If local service were to become a fully competitive

environment, the door is opened for a competitor to offer local service with privacy; having the potential to take 20% of our Local market - mainly residential.

- 4) Customer dissatisfaction with policy; perceived as greedy, self-serving, and/or lacking in integrity.

- How valuable are our residence customers to BellSouth?

We are not in a position now to answer this last question, but we believe it is one we will need to answer eventually. However, we do say "Customer First" and "Community Mindedness" are part of our basic values - are they really?

o Non-List Services in Pacific Bell and Bell Atlantic

We thought it would of interest to note that Pacific Bell and Bell Atlantic both attempted to introduce List Services in their BOCs in which Non-List telephone numbers would have been included and Non-Pub would have been excluded. When the services entered the market place, newspapers ran articles on them. They received such bad publicity and so many complaints to the commissions that Pacific Bell was forced to withdraw all List Services pulled from their Residence base, and Bell Atlantic was forced to change their service to exclude Non-List numbers. Non-List number were originally included because they are in the DA database.

Non-Pub and Non-List customers are very protective about who is able to receive their telephone numbers, names, and addresses.

o Conclusion

If the CND direction is to be pursued on a corporate basis, thorough analysis of all facts pertaining to this subject is an absolute requirement.

It is the recommendation of the White Pages Product Team that the corporation offer a blocking capability for Non-Pub customer, and before any final policy is established a business case be completed.

This product team believes it would behoove BellSouth to resist a capricious discarding of its public trust in this arena.

ATTACHMENT 4

10-6
Copy to: McEwen
Ch prepared a
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DATE: September 20, 1989
TO: Don Strohmeier, Vice President - Marketing, SCB
FROM: P. H. Casey, Vice President and Comptroller, BSC
SUBJECT: Touchstar - Call Trace/Caller ID Features

In reading recent media advertisements and hearing comments from our employees, we are becoming somewhat concerned about the perception of annoyance call handling relief to be gained upon availability of the Call Trace and Caller ID features of Touchstar.

Although Caller ID is not yet available, we are beginning to see some effect from the limited availability of Call Trace. In reading media ads, it appears Call Trace is advertised as a panacea for any of our customers' annoyance call problems. We are concerned about customer reaction when, after activating the feature, they learn we will not turn over the calling telephone number to them. Our current procedure is to handle the complaint as a normal annoyance call investigation, only the trace is activated by the customer. The customer has the option of pursuing prosecution through law enforcement where a Company employee will testify to the origin of the call or have the Company take action to stop future calls in accordance with our tariffs. We are pursuing with BellSouth Legal the possibility of informing the customer who activated Call Trace of the originating telephone number, but that still will not cause any significant reduction in involvement by our annoyance call handling personnel. Activity in the Annoyance Call Centers/Bureaus has actually increased as a result of the limited availability of Call Trace.

With the introduction of Caller ID, the customer receiving the call will know the telephone number of the offending party, but will not have the subscriber name and address of that party. If the subscriber seeks legal remedy or requests the Company to take action, it will be necessary for the Annoyance Call Centers/Bureaus to become involved to document through normal call tracing procedures or subscriber activation of the Call Trace feature pertinent information about the offending call for evidentiary purposes. The customer receiving the calls could handle the matter by contacting the offending party or activating the call block feature but until we gain some experience with these features, we can't gauge the number of customers that will request Company assistance.

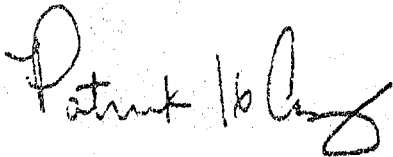
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D. L. STROHMEIER
VICE PRESIDENT - MARKETING

Another concern we have is furnishing the name and address of the offending telephone subscriber to the customer. As stated previously, we do not now furnish this information to our customer, although South Central Bell sells customer name and address information for published numbers. Southern Bell does not offer this service. We anticipate customers subscribing to the Touchstar features will expect to know the identity of the subscriber to the offending line.

We are continuing to address our concerns with the Touchstar task force and Company legal organization. Until we gain experience with customer reaction to Touchstar features, it is impossible to tell what effect they might have on the Annoyance Call Centers/Bureaus.

We fully support implementation of the Touchstar program in BellSouth, however, we feel it is important that our customers and employees do not develop misconceptions as a result of media advertisements or employee information sources.



JRM/cw

cc: Pat Greene, SCB
Judy North, SBT
Bill Ferguson, SCB
Larry Schoolar, SBT
J. L. Schmidt, SBT
M. E. Cox, SCB

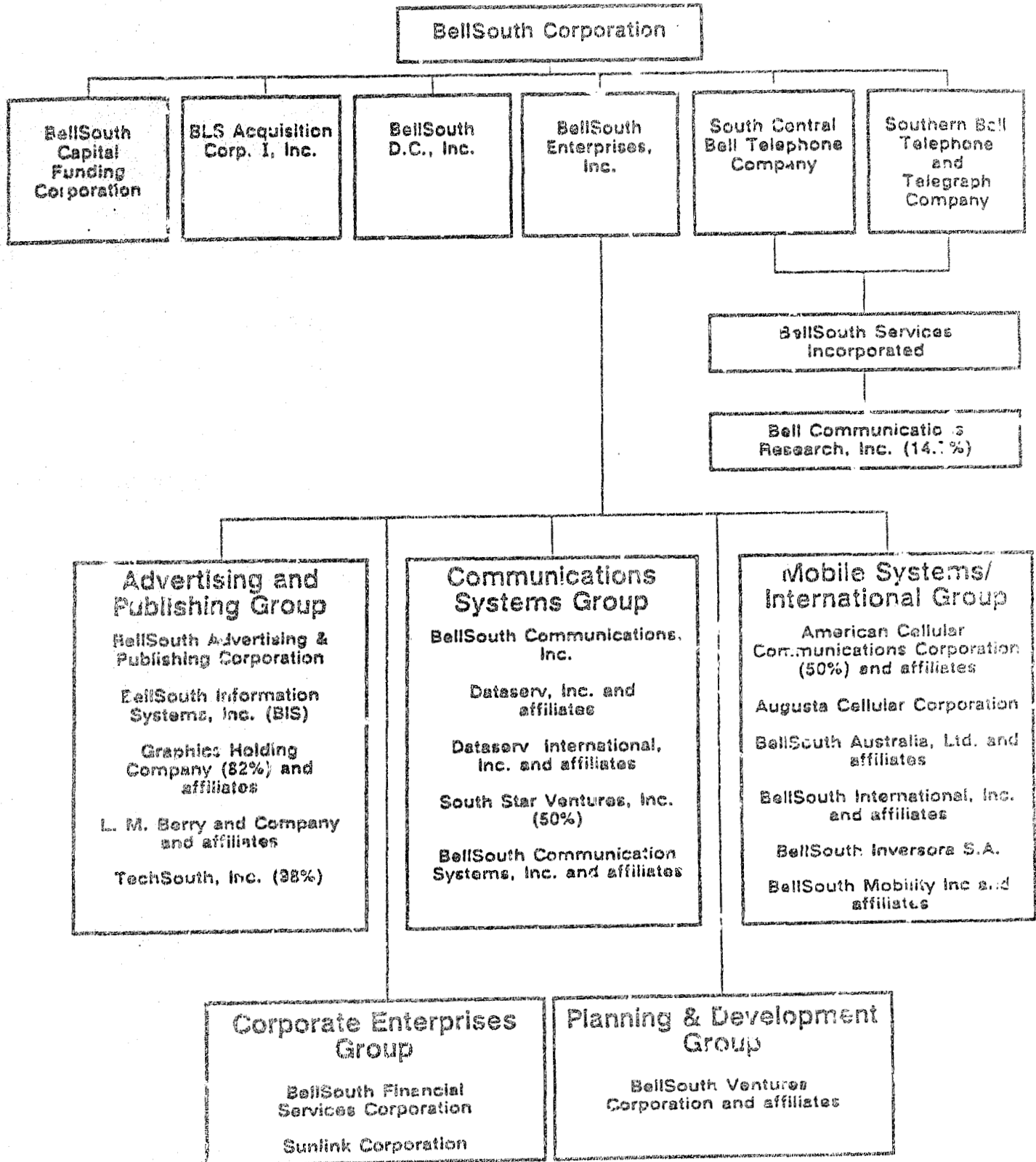
ATTACHMENT 5

6.0 BELLSOUTH AFFILIATES

CHART OF AFFILIATED ENTITIES

A STATEMENT OF AFFILIATES
ENGAGING IN TRANSACTIONS WITH THE
CARRIER ENTITIES

BellSouth Corporate Structure



A STATEMENT OF AFFILIATES
ENGAGING IN TRANSACTIONS WITH THE
CARRIER ENTITIES

SOUTH CENTRAL BELL TELEPHONE COMPANY

South Central Bell Telephone Company (SCB) is a regulated carrier which provides a variety of local exchange and interexchange services to some 6.5 million customers in areas of Alabama, Kentucky, Louisiana, Mississippi and Tennessee. SCB supplies long distance service within its court-defined calling zones. SCB also provides access to the networks of long distance companies that offer service between SCB calling zones and from state-to-state.

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

Southern Bell Telephone Company (SBT) is a regulated carrier which provides a variety of local exchange and interexchange services to more than 8.5 million customers in areas of Florida, Georgia, North Carolina and South Carolina. SBT supplies long distance service within its court-defined calling zones. SBT also provides access to the networks of long distance companies that offer service between SBT calling zones and from state-to-state.

TRANSACTIONS WITH AFFILIATES

The primary services and supplies provided to or received from each affiliate, the frequency each is provided and the applicable affiliate transaction rule that will be used to determine the amount recorded on the regulated books of SCB and SBT are listed below. In addition to the affiliates listed below, SCB and SBT provide telecommunications services at tariffed rates to all affiliates with offices located in their service areas.

BELLSOUTH CORPORATION

BellSouth Corporation (BSC) is the parent corporation of SBT and SCB, as well as various nonregulated subsidiaries engaged in businesses other than the provision of regulated local exchange service.

SERVICES PROVIDED TO BSC

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
• Telecommunications services including official communications	Daily	Tariffed Rates
• Leased office space and security for buildings	Daily	SEC. 64.901 Costing Standards
• Legal & medical services	On Request	SEC. 64.901 Costing Standards
• Use of general purpose computers	On Request	SEC. 64.901 Costing Standards

SERVICES RECEIVED FROM BSC

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
• Financial services, such as, securing capital, maintaining investor relations, administering pension fund, preparing consolidated financial reports, providing budget assistance and economic forecasts	Daily	SEC. 64.901 Costing Standards
• Regional planning services such as corporate, strategic marketing and technical (including development)	Daily	SEC. 64.901 Costing Standards
• Personnel services related to employment, labor relations, relocation, wages, salaries, benefits and assessment	Daily	SEC. 64.901 Costing Standards
• Legal assistance on taxes, antitrust and federal matters	Daily	SEC. 64.901 Costing Standards
• Public affairs involving federal regulatory and federal legislative activities	Daily	SEC. 64.901 Costing Standards

SERVICES RECEIVED FROM BSC (CON'T)

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
° Public relations related to financial advertising and media information	Daily	SEC. 64.901 Costing Standards
° Accounting and tax services such as internal corporate reports, consolidated tax returns, accounting policies rulings and interpretations and internal audit policy	Daily	SEC. 64.901 Costing Standards
° Executive Support	Daily	SEC.64.901 Costing Standards

BELLSOUTH SERVICES INCORPORATED

BellSouth Services (BSS) is jointly owned by SBT and SCB. It provides services that can be managed and controlled in a more cost effective manner through a centralized organization.

SERVICES PROVIDED TO BSS

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
° Telecommunications services including official communications	Daily	Tariffed Rates
° Installation and Maintenance of Corporate Communications Equipment	On Demand	SEC. 64.901 Costing Standards
° Leased office space, building security and food services	Daily	SEC. 64.901 Costing Standards
° Use of computer systems, data network, vehicles and equipment	Daily	SEC. 64.901 Costing Standards

SERVICES PROVIDED TO BSS (CON'T)

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
° Internal auditing services	Daily	SEC. 64.901 Costing Standards
° Training	On Request	SEC. 64.901 Costing Standards

SERVICES RECEIVED FROM BSS

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
° Coordination and management of the procurement of staff and support types of services from suppliers such as Bell Communications Research (BellCore), or outside vendors. (See BellCore affiliate description.)	Daily	SEC. 64.901 Costing Standards
° Strategic planning for the telecommunications network, including network architecture technical standards setting and technical evaluation of potential network hardware.	Daily	SEC. 64.901 Costing Standards
° Design fundamental planning, provide both project and operations management, implementation and maintenance of operational support and financial systems which improve productivity and performance, reduce costs or improve revenues.	Daily	SEC. 64.901 Costing Standards
° Support for the management of the carriers' employee bodies including training and management job evaluations.	Daily	SEC. 64.901 Costing Standards

SERVICES RECEIVED FROM BSS (CON'T)

<u>PRINCIPAL SERVICES</u>	<u>FREQUENCY</u>	<u>AFFILIATE RULE</u>
° Development of specific marketing and sales support programs for business sales, business and residence service centers and inter-exchange carrier service centers.	Daily	SEC. 64.901 Costing Standards
° Procurement and provisioning services, i.e., product management including contracting, purchasing, product analysis, and materials management services for the operating companies, and ownership of certain consolidated inventories (primarily outside plant).	Daily	SEC. 64.901 Costing Standards
° Support for the operating companies through the management and maintenance of operating company non-network related assets such as land buildings, transportation, motor vehicles, corporate communications and administrative services.	Daily	SEC. 64.901 Costing Standards
° Treasury Services including financial analysis, cash management and Treasury Support	Daily	SEC. 64.901 Costing Standards
° Contract Administration	Daily	SEC. 64.901 Costing Standards
° Regulatory Support	Daily	SEC. 64.901 Costing Standards

BELLCORE

BellSouth Services (BSS) owns BellSouth's share of, and is the operating companies' primary liaison with, Bell Communications Research, Inc. (Bellcore). The Service Agreement between Bellcore