

Communications Consultants, Inc.

**ORIGINAL
FILE COPY**

Telecommunications Intervention
Tariff Analysis • Regulatory Affairs

Post Office Box 1148
Winter Park, FL 32790-1148
Phone (407) 628-2666
Fax (407) 628-3487

September 16, 1996

Blanca S. Bayó, Director
Division of Records & Reporting
Florida Public Service Commission
Capitol Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 920260-TL
Southern Bell Rate Case

Dear Ms. Bayó:

Enclosed for filing please find a floppy disk in Wordperfect 5.1 and fifteen copies of the Rebuttal Testimony of Douglas S. Metcalf on behalf of the Florida Ad Hoc Telecommunications Users' Committee in the above docket.

Service has been provided to all parties of record in accordance with the attached Certificate of Service.

ACK _____ Sincerely,

AFA _____

APP _____

CAF _____

CMU Noted Douglas S. Metcalf

CTR _____ DSM:sr

EAG _____

LEG 1

LIN 5 + org

OPC _____

RCH _____

SEC 1

WAS _____

OTH _____

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
96 SEP 12 AM 10:09
MAIL ROOM

DOCUMENT NUMBER-DATE

09705 SEP 12 96

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 920260-TL

I certify that a correct copy of the foregoing was sent by U.S. Mail to the following parties on September 12, 1996.

Nancy B. White
c/o Nancy H. Sims
BellSouth Telecommunications
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Charles J. Beck
OFC OF THE PUBLIC COUNSEL
111 W. Madison St., Rm. 812
Tallahassee, FL 32399-1400

Mark K. Logan (AT&T)
Bryant, Miller & Olive, PA
201 S. Monroe St., #500
Tallahassee FL 32301

Michael W. Tye
AT&T COMMUNICATIONS
106 N. Monroe St, Suite 200
Tallahassee, FL 32301

Robin Dunson
AT&T COMMUNICATIONS
1200 Peachtree St., #4038
Atlanta GA 30309

Benjamin H. Dickens (Ad Hoc)
Blooston, Mordkofsky, & Dickens
2120 L Street, Suite 300
Washington, DC 20037-1527

Laura L. Wilson
FL CABLE TELEVISION ASSN.
310 N. Monroe St.
Tallahassee, FL 32301

Peter Q. Nyce (DOD)
Office of the JAG - Regulatory
Department of the Army
901 N. Stuart St., #400
Arlington, VA 22203-1837

Joseph P. Gillan (FIXCA)
GILLAN ASSOCIATES
1050 Big Horn Road
Huson, MT 59846

Vicki Gordon Kaufman (FIXCA)
McWhirter, Grandorf & Reeves
117 S. Gadsden St.
Tallahassee, FL 32301-1838

Mark Richard (CWA)
304 Palermo Avenue
Coral Gables, FL 33134

Marilyn Lenard
Council of Florida AFL-CIO
135 S. Monroe St.
Tallahassee FL 32301

Donald L. Bell (AARP)
104 E. Third Avenue
Tallahassee, FL 32303

Susan Weinstock (AARP)
Dept. of State Legislation
601 E. Street, NW
Washington, DC 20049

Stan Greer
Division of Communications
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Robin Norton
Division of Communications
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Rick Wright
Florida Public Service Comm.
Capitol Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Martha Brown
Division of Legal Services
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0863

Dan B. Hendrickson (FCAN)
P.O. Box 1201
Tallahassee, FL 32302-1201

Monte Belote
FL CONSUMER ACTION NTWK
4100 W. Kennedy Blvd., Suite 128
Tampa, FL 33609

Gerard B. Curington
Assistant Attorney General
DEPT. OF LEGAL AFFAIRS
2020 Capitol Circle, SE
Tallahassee, FL 32399-1050

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Rd, Suite 700
Atlanta, GA 30342

Richard D. Melson (MCI)
HOPPING, BOYD, GREEN et al
P.O. Box 6526
Tallahassee, FL 32314

Kenneth A. Hoffman (PayPhone)
Rutledge, Ecenia, Hoffman et al
P.O. Box 551
Tallahassee, FL 32302-0551

Angela B. Green (PayPhone)
Florida Public Telecom. Assn.
125 S. Gadsden St. Suite 200
Tallahassee, FL 32301

Benjamin W. Fincher
SPRINT COMMUNICATIONS CO.
3100 Cumberland Circle, #802
Atlanta, GA 30339

C. Everett Boyd (Sprint)
Evin, Varn, Jacobs, Odom & Ervin
P.O. Drawer 1170
Tallahassee, FL 32302-1170

Michael Fannon
Cellular One
2735 Capitol Circle, NE
Tallahassee, FL 32308

Floyd R. Self (McCaw)
MESSER, VICKERS, et al
P.O. Box 1876
Tallahassee, FL 32302-1876

William H. Higgins
AT&T WIRELESS
250 S. Australian Ave.
West Palm Beach FL 33401

Marsha E. Rule (Intermedia)
Wiggins & Villacorta
P.O. Drawer 1657
Tallahassee FL 32302

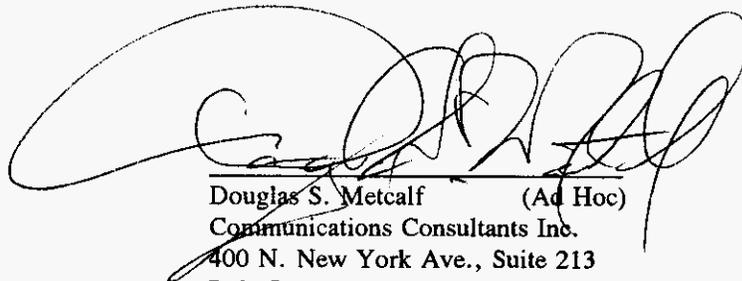
Steve Brown
Intermedia Communications
3625 Queen Palm Drive
Tampa FL 33619-1309

Thomas E. Allen, Jr.
Intermedia Communications
Cobb Corporate Center
450 Franklin St., #170
Marietta GA 30067

Patrick K. Wiggins (Palm Bch Pprs)
Wiggins & Villacorta
P.O. Drawer 1657
Tallahassee FL 32302

David Larimer
Florida Today
P.O. Box 419000
Melbourne FL 32941-9000

Dan Shorter
Palm Beach Newspapers
P.O. Box 24700
West Palm Beach FL 33416



Douglas S. Metcalf (Ad Hoc)
Communications Consultants Inc.
400 N. New York Ave., Suite 213
P.O. Box 1148
Winter Park, FL 32790-1148
Tel (407) 628-2666
Fax (407) 628-3487

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Comprehensive review of the revenue)
requirements and rate stabilization plan of)
BellSouth Telecommunications Inc.)
_____)

Docket No. 920260-TL
Filed: September 16, 1996

REBUTTAL TESTIMONY

of

DOUGLAS S. METCALF

ON BEHALF OF

FLORIDA AD HOC TELECOMMUNICATIONS USERS' COMMITTEE

DOCUMENT NUMBER-DATE

09705 SEP 12 1996

Communications Consultants, Inc.
FPSC-RECORDS/REPORTING

1 Q: Please state your name, business affiliation, address, and on whose behalf you
2 are testifying?

3 A: My name is Douglas S. Metcalf. I am President of Communications Consultants,
4 Inc., 400 N. New York Avenue, Suite 213, Winter Park, Florida 32790-3159. I previously
5 filed Direct Testimony on behalf of the Florida Ad Hoc Telecommunications Users'
6 Committee (Ad Hoc) in this proceeding.

7

8 Q: What is the purpose of your rebuttal testimony?

9 A: The purpose of this testimony is to rebut certain PBX service assertions made by
10 witness Thomas E. Allen, Jr. of Intermedia Communications.

11

12 Q: Please explain your differences with Intermedia's position.

13 A. Ad Hoc agrees with the comments of Mr. Allen and Intermedia where their
14 testimony urges the Commission to reject portions of BellSouth Telecommunications' (BST)
15 proposal. Like Ad Hoc, Intermedia believes that the Commission should use the available
16 revenues to foster and support competition.¹ Further, Intermedia and Ad Hoc feel that BST
17 is attempting to use past overearnings it has agreed to return to its customers,² to improve
18 its competitive posture at the dawn of competition,³ and to lock up future market share.⁴

19 However, Ad Hoc disagrees with Intermedia on one significant point. PBX trunks
20 are not currently a "very competitive service."⁵ BST is the only provider of PBX trunks

¹ Direct Testimony of Intermedia witness Thomas E. Allen, page 3, line 4 (3.4)

² Id., 3.19

³ Id., 2.25, 5.13, 5.22

⁴ Id., 5.13, 6.1

⁵ Id., 5.3

at this time. Further, the only alternative *service* which provides most of the features of PBX service is ESSX, also provided *exclusively* by BST. As Ad Hoc testified in last year's \$25M refund proceeding, PBX service has lost significant market share because of ESSX's BST-controlled price advantage. A decision by this Commission in this case for an across-the-board decrease in BST's PBX trunk rates could make it possible for PBX vendors to again effectively compete for the large user market.

Q. Will the across-the-board PBX trunk reductions in the Joint Proposal of Ad Hoc, MCI, AT&T, FIXCA, Sprint, McCaw Communications and the Dept. of Defense remedy some of Intermedia's PBX rate concerns with BST's proposal?

A. Intermedia suggests as much when Mr. Allen acknowledges that "[PBX] rates may need to be reduced *in general, ...*".⁶ Rejecting BST's "contract rate" and "nonrecurring rate decrease" proposals will give appropriate relief to the current users who have paid the most in excessive rates over the past several years,⁷ while at the same time allowing "bona fide competitors for PBX service", and the competitive market, to develop without increasing BST's already formidable competitive advantage.⁸

Q. Does this conclude your testimony?

A. Yes.

⁶ Id., 6.22

⁷ Id., 7.21

⁸ Id., 7.1